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| *October 12, 2007* |

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# I. NATIONAL NEWS

**Miller Brewing to Combine with Coors**

[**Miller Brewing Co.**](http://www.bizjournals.com/search/results.html?Ntk=All&Ntx=mode%20matchallpartial&Ntt=%22Miller%20Brewing%20Co%22) **will be combined with Coors Brewing Co. of Golden, Colo., under a joint venture announced by the parents of the two U.S. brewers Tuesday.**

*The Business Journal of Milwaukee*
October 9, 2007

[**SABMiller plc**](http://www.bizjournals.com/search/results.html?Ntk=All&Ntx=mode%20matchallpartial&Ntt=%22SABMiller%20plc%22), of London, and Denver-based [**Molson Coors Brewing Co**](http://www.bizjournals.com/search/results.html?Ntk=All&Ntx=mode%20matchallpartial&Ntt=%22Molson%20Coors%20Brewing%20Co%22). have signed a letter of intent to combine the U.S. and Puerto Rico operations of Miller and Coors. The combined company expects to cut as much as $500 million in costs with a strategy that could include cuts in jobs at Miller and Coors, particularly in corporate operations and marketing. [**No breweries are expected to be closed**](http://milwaukee.bizjournals.com/milwaukee/stories/2007/10/08/daily12.html) under the deal.

The new company, which will be called MillerCoors, will have annual earnings before income taxes, depreciation and amortization of $842 million, combined beer sales of 69 million U.S. barrels and net revenue of approximately $6.6 billion, SABMiller and Molson Coors (NYSE: TAP) said in a joint press release. The combination of the second- and third-largest U.S. brewers will still trail [**Anheuser-Busch Cos. Inc.**](http://www.bizjournals.com/search/results.html?Ntk=All&Ntx=mode%20matchallpartial&Ntt=%22Anheuser-Busch%20Cos%20Inc%22) (NYSE: BUD), of St. Louis, which sold 102.3 million barrels domestically in 2006.

SABMiller and Molson Coors expect that the enhanced brand portfolio, scale and combined management strength of the joint venture will allow it to better compete in the highly competitive and changing U.S marketplace and improve the standalone operational and financial performance of both Miller and Coors.

The transaction will bring together such brands as Miller Lite, Miller Genuine Draft, Miller Chill, Leinenkugel's, Pilsner Urquell and Peroni with Coor's Light, Molson, Blue Moon and Killian's Irish Red. The diversified portfolio will allow MillerCoors to invest more effectively in marketing its brands to consumers, according to the brewers.

The firms expect the combination of the businesses to result in identified annual cost savings of $500 million, to come from optimizing production over the existing brewery network, reduced shipping distances, economies of scale in brewery operations and the elimination of duplication in corporate and marketing services. The combined company expects to spend $230 million in one-time costs and $220 million on capital expenditures in order to achieve the cost savings.

Pete Coors, vice chairman of Molson Coors, will serve as chairman of MillerCoors. Graham Mackay, SABMiller CEO, will serve as vice chairman of MillerCoors. Leo Kiely, current CEO of Molson Coors, will be the CEO of the joint venture, and Tom Long, current CEO of Milwaukee-based Miller, will be appointed president and chief commercial officer.

SABMiller and Molson Coors will each have a 50 percent voting interest in the joint venture and have five representatives each on its board of directors. Based on the economic value of the contributed assets, SABMiller will have a 58 percent economic interest in the joint venture and Molson Coors will have a 42 percent economic interest.

The transaction remains subject to a final agreement that is expected by the end of 2007. The deal will also require the clearance of U.S. antitrust officials and other regulatory and third-party consents. The Miller business and the Coors business will be conducted separately until signing and completion. The international operations of Miller and Coors will continue to be managed separately following the combination.

The companies are holding a meeting and webcast for the financial community Tuesday at 9 a.m. Central to discuss the joint venture.

<http://www.bizjournals.com/milwaukee/stories/2007/10/08/daily8.html?jst=b_ln_hl>

**2. Who Got the Better of the SAB-Coors Deal?**Dennis K. Berman

*Wall Street Journal*October 9, 2007

Molson Coors shareholders probably are hoisting a few this morning, after the announcement that the brewer is combining its U.S. operations with SABMiller. The combination is expected to save $500 million a year. If Molson Coors banks those savings at its overall level of ownership - roughly 42% - that would equal a 20% annual Ebida boost. Not bad.

Are they still applauding the 2004 Molson-Coors deal? Still, the joint-venture seems more beneficial to SABMiller, which gets to skim off the cream of Molson Coors without paying much for it. Consider, for instance, that SAB won't have to fuss with Molson Coors's international operations in Europe, which generated 24% of the company's $5.85 billion in revenue but less than 9% of its pretax profit last year.

Indeed, the latest deal appears an admission that the 2004 combination of family brewers Adolph Coors Co. and Molson Inc. wasn't enough to help them survive the raging Beer Wars. It is what makes today's announcement as much a de-merger as a merger, with Coors essentially being separated from the old Molson, which will continue to ply its highly profitable routes in Canada on its own (this segment contributed two-thirds of pretax earnings last year.)

Just read the statement of Molson Coors Vice Chairman Pete Coors, who bleakly assessed the deal as "driven by the profound changes in the U.S. alcohol beverage industry that are confronting both of our companies with new challenges," citing consumers drinking more wine and spirits, and global beer importers.

Molson Coors does get something in the trade - equal representation on the joint venture's 10-person board. But economically it will receive earnings proportional to its own contribution.

In other words, SABMiller gets to extract savings from the heart of Molson Coors, gets last rights to buy out the joint venture and neutralizes it from falling into the hands of a competitor. And it doesn't have to pay a premium for any of Molson Coors' shares.

How much does SAB think Molson Coors is eager to do this deal? One has to wonder, given that the deal includes a $150 million termination fee should a "third party propose a competing transaction." That is far more likely to affect Molson Coors. By the end of today, shareholders might be hoping someone else will come and take them out of their misery - with cash.

**3.** **Tie-Up Positions Miller-Coors**

**To Expose Anheuser's Weakness**

*Wall Street Journal*

October 10, 2007

The battle of the beers has entered a new chapter. In its prologue, South Africa's SAB bought Miller in an attempt to take on the King of Beers, Anheuser-Busch's Budweiser. But when Bud responded with a debilitating price war, Miller started to struggle, and Coors huddled into a protective merger with Canadian rival Molson. A new joint venture between SABMiller and Molson Coors Brewing should now square the numbers for both brewers -- and show the weakness of Bud's own realm.

Crunched together, Miller and Coors will be No. 2 in the U.S. with a 29% market share in beer. They will also have a lot more money to spend on challenging Bud's dominance. The companies are aiming for $500 million of savings, equal to an impressive 8% of combined sales. That boost to profitability makes Miller-Coors less vulnerable to any price wars Bud may try to spring.

For SABMiller, there is some loss of face. It is putting in 58% of the assets of the group but gets just 50% of the control. For now, the new company will be headed and run by Molson Coors's top brass, making it hard to see this as a pure merger of equals. Moreover, the deal shows that SAB's plans to make Miller global haven't panned out quite as expected.

Still, SAB's deal making has paid off in at least two ways. By charging into foreign markets and paying with stock -- helped in no small part by the appreciation of the South African rand, in which a third of its profits are denominated -- SAB has piled growth on growth. Bud was five times as big as its U.K. rival in market value five years ago. SAB's market capitalization today is $45 billion compared with Bud's $39 billion.

Moreover, Bud is left nursing a big headache: It faces stiffer competition at home and still has little presence abroad, relying on the U.S. for 80% of its profit. The King of Beers may need to seek out new lands. Having stood on the sidelines of the great brewing consolidation of the past decade, that is a difficult and expensive strategy to pursue. Its best option is almost certainly a royal alliance, or merger, with Latin American-Belgian rival InBev.

**J.P. Morgan's Taste for Water**

Talk of the demise of the infrastructure-asset class has proved premature. The acquisition of Southern Water by a J.P. Morgan Chase-led consortium for £4.2 billion ($8.55 billion), including debt, is the first major test of the market's appetite for infrastructure assets since this summer's credit crunch. On this evidence, the market is still alive -- for the right assets.

The price is in line with what Royal Bank of Scotland Group, Southern's owner, expected when it put the business up for sale in mid-July. At 1.3 times the value of the regulated assets, J.P. Morgan is paying a similar multiple to what Australia's Macquarie paid for rival utility Thames Water and investment firm 3i Group paid for Anglian Water earlier this year.

The key to achieving this price was the availability of debt. J.P. Morgan will leave an existing £2.3 billion securitization in place, but it has obtained a further £500 million of debt financing. Add in existing preference shares, and the total debt is equivalent to 94% of Southern's regulated asset base, in line with Thames and Anglian. What's more, the cost of the new debt is only slightly higher than it would have been earlier in the summer.

Perhaps that isn't surprising. Water-company bond yields have held up well, reflecting the sector's attractions as a haven. Other major utilities, including E.On and Thames Water, refinanced debt lately with little difficulty. But while the sale of Southern Water is bound to reignite bid speculation in the water sector, it may be too soon to draw conclusions about other types of infrastructure -- particularly some of the riskier, nontraditional assets targeted by infrastructure funds at the height of the boom.

An Audacious 'lex Mol'

Hungary is full of itself. Just days after receiving a warning from Brussels against protecting its national energy champion Mol from a €14 billion conditional offer from Austria's OMV -- and subsequent assertions from Prime Minister Ferenc Gyurcsany that Hungary would try to avoid a clash with the European Union -- the nation has passed a new strategic-industries law raising the barriers to foreign takeovers.

The blatant disregard of the concerns of the European Commission is audacious. Hungary is already in trouble for failing to fully abolish its rights over so-called golden shares, which give governments special voting rights to block foreign buyers. While the government technically rescinded its golden share in Mol, it retained a veto on any attempt by shareholders to alter the 10% voting-cap limit. Adding insult to injury, the "lex Mol" -- as the new law has been dubbed -- makes it harder for shareholders to oust management.

It is a familiar tale. Spain ratcheted up comparable defenses for Endesa, its national energy champion, against Germany's E.On. Similarly, French fears of an Italian takeover of one of its national energy giants spurred politicians to engineer a domestic merger between Suez and Gaz de France. In both cases, the governments were forced to comply but not before the original bidder was thwarted by a rival.

The commission must bring Hungary into line if it stands a chance with larger members. That means acting with urgency. First, it should demand the government explain how it thinks "lex Mol" complies with the European Treaty's tenets of free movement of capital and freedom for companies to establish themselves in member countries.

Furthermore, the commission shouldn't delay in pushing its complaint against Hungary's privatization law into the courts. That legal action seems ready to move, while a challenge against "lex Mol" would take time to work through the system. In the meantime, OMV's only hope is a shareholder revolt against some of Mol's other dubious takeover tactics.


<http://online.wsj.com/article/SB119196281252053746.html?mod=googlenews_wsj>

**4.** **A-B Chief Isn't Fazed by Miller Coors
Busch Says Joint Venture Will Cause 'Transitional Confusion' His Company Can Exploit**

Jeremy Mullman
*Ad Age*

October 09, 2007

The joint venture between Coors Brewing Co. and Miller Brewing Co. creates a more formidable competitor for Anheuser-Busch, but will also create near-term confusion the King of Beers can exploit, A-B CEO August Busch IV said today in a memo to employees and wholesalers.

"This new entity does not match our size or portfolio of beers, yet there are undoubtedly synergies that this new company will eventually realize," wrote Mr. Busch in the memo, which -- oddly enough -- was first reported on Miller's corporate blog, Brewblog.com. "There will be significant transition confusion from this change, and it's up to us to capitalize on this disruption now."

No stranger to struggles

Mr. Busch ought to know about the confusion transitioning lots of new brands can bring: A-B has struggled during his first year as CEO to balance its core Bud and Michelob brands with a growing number of import and specialty beers Mr. Busch has arranged to work into its exclusive wholesaler system. Last month it reorganized its top sales and marketing personnel to help it perform better going forward.

A-B, however, was adding brands in the import and craft categories, where it wasn't previously well represented, while MillerCoors will have to figure out how to balance possibly redundant offerings such as Miller Lite and Coors Light, the Nos. 2 and 3 premium light beers and the flagship of each merging party.

If the MillerCoors combination passes regulatory hurdles, it will create a new No. 2 brewer with a 29% market share, trailing only A-B (49%).



**5. Support Grows for Lowering Drinking Age
Medical expert joins in the controversial debate**.

[*The Publican*](http://www.thepublican.com/story.asp?sectioncode=7&storycode=57276&c=1)

October 12, 2007

A top medical chief has added his voice to calls to lower the drinking age to 16.

Professor John Ashton, Cumbria's chief medical officer, said it would be better for teenagers to drink in pubs where they can be supervised, than outside in parks.

His advice adds weight to similar recent pleas from pub industry leaders.

In recent weeks Giles Thorley of Punch Taverns and Tim Martin of JD Wetherspoon have spoken out about their wishes to see the drinking age lowered, and Ashton believes that if youngsters were allowed to drink alongside older people it would teach them to behave responsibly.

"We need to let youngsters drink from the age of 16 legally," he said. "It's better they are inside in a pub with sanctions of normal behaviour, rather than outside in the park with no controls.

"We should be more practical about things, sometimes you have to forget your principles and do the right thing."

Ashton also argued that recommended levels of alcohol were unrealistic in some circumstances. He said that a limit of 10 pints a week was "a non-starter" for "northern industrial working folk".

The professor's ideas were welcomed by Paul Brown, the director of Cumbria Alcohol and Drug Advisory Service, whose annual general meeting Ashton was addressing.

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**6. Why Price Increases Are Brewing for Craft Beers
That six pack of high-brow beer is about to come at a higher price, thanks to the sharpest surge in decades in the cost of the hops and barley that give each brew its distinctive taste.**

*Wall Street Journal*

October 5, 2007

Consumers could pay 50 cents to $1 per six pack more in the coming months for many small-batch "craft beers," as brewers pass on rising hops and barley costs from an unpalatable brew of poor harvests, the weak dollar and farmers' shift to more profitable crops. Other makers of craft beers, the fastest-growing segment of the U.S. brewing industry, say they may eat the higher ingredient costs, which will pare their profits.

"The hops are to Samuel Adams what grapes are to wine," says Jim Koch, founder of Boston Beer Co., maker of Samuel Adams Boston Lager, one of America's fastest-growing beers. The company has raised its prices just over 3% this year to help offset the hops and barley costs. Mr. Koch says that for next year, the company is "probably looking at the same or maybe more."

"The cost increases have been the largest we've ever faced, both in barley and in hops," says Mr. Koch, who founded the company in 1984. The company only buys hops that are grown on several thousand acres in Bavaria, and the crop has been smaller in the past two years, making them more expensive, Mr. Koch says.

The cost pressures could slow the expansion of American craft brewers, which account for about 5% of U.S. beer revenue, and even put some smaller ones out of business. Craft-beer makers also are battling other cost increases, including higher prices for glass, cardboard, gasoline and the stainless steel used to make beer kegs. "People are very concerned," says Kim Jordan, co-founder of Colorado's New Belgium Brewing Co., which makes Fat Tire Amber Ale, a top-selling craft beer. "It significantly affects profitability."

Big American brewers like Anheuser-Busch Cos. and SABMiller PLC's Miller Brewing Co. also face cost increases, but the impact isn't nearly as great for them. They use much less hops and barley in most of their beers, which is why they are lighter in taste and calories. A barrel of craft brew Sierra Nevada Pale Ale, for example, has about twice the malt and as many as five times the hops of a mass-market brew, like Budweiser or Miller High Life.

Large beer makers are also better able to secure long-term contracts to mitigate the impact of rising ingredient costs. Most spirits makers, such as Diageo PLC and Fortune Brands Inc., also face a relatively limited impact from global increases in the cost of grains such as corn.

The craft-beer segment has been among the few bright spots in the slow-growing U.S. beer industry. The number of barrels of craft beers sold rose 11% in the first half of this year against year-earlier levels, according to the Brewers Association, a craft-beer trade group in Boulder, Colo. Meanwhile, the Beer Institute, a Washington-based industry group, projects total U.S. beer sales, by barrel, will rise 1.5% this year. The boom in craft beers reflects heightened awareness of their brands and a willingness by American beer drinkers to pay an extra $2 or $3 per six pack to get a premium product.

Craft beer makers have faced escalating costs over the past year. Prices for malting barley, which accounts for a beer's color and sweetness, have jumped as farmers increasingly shifted to planting corn, which has been bringing higher prices because of high demand from makers of biofuels, like ethanol. The weak dollar also has made it more expensive for U.S. brewers to buy commodities from Europe.

The news worsened for craft brewers significantly in recent weeks. Firms that turn barley into brewing malt informed craft brewers of price increases ranging from 40% to 80%, and hops suppliers announced increases ranging from 20% to 100%, depending on the variety of hops.

The price of hops -- which give beers their bitterness and aroma -- has risen because of shortages across the globe, due in part to poor crops in Europe. Some European brewers are competing with American brewers for hops grown in the Pacific Northwest.

For years, hops were cheap due to a glut. That prompted growers over the past decade to replace hops with other crops, such as apples. Now, the amount of hops acres world-wide is about half the total of 12 years ago, says Ralph Olson, a hops dealer with Hopunion CBS LLC in Yakima, Wash. That's caused some hops varieties to quadruple in price over the past year, he says.

To cope with higher malt and hops prices, smaller brewers are trying to secure longer-term contracts for the ingredients. And, in some cases, they're tweaking their recipes.

At Bell's Brewery Inc. in Comstock, Mich., founder Larry Bell says he is substituting other varieties of hops into the brewer's Bell's Oberon Ale and Bell's Lager because he could only secure 60% of a Czech Saaz hops that he normally uses in the beer.

Mr. Bell says employees who test beers at his company haven't been able to detect a change with the new hops and that he won't make any changes that will compromise quality. Starting next year, he anticipates he will raise the price he charges beer wholesalers by 50 cents to 60 cents per case. Customers may see an even higher price increase because retailers typically mark up beer even further.

"I am concerned that there could be some small players out there that will fail because of this," says Mr. Bell, whose brewery sold its first beer in 1985.

Boston Beer has inked long-term contracts for some of its ingredient needs. But many smaller brewers, such as Allagash Brewing Co. in Portland, Maine, buy hops and malt on the open market, exposing them to huge price swings. Rob Tod, president of Allagash, says the company expects to absorb some of the recent cost increases. But it will likely impose some price increases, resulting in a four-pack of its Allagash White costing about $9 at retailers in the Northeast, up about 50 cents. "We're getting hit on all sides," Mr. Tod says.

Ken Grossman, the founder of Sierra Nevada Brewing Co. in Chico, Calif., says the brewer plans some price increases, but it's better positioned than others because a price spike for hops in the early 1980s prompted him to sign long-term contracts. "I've gotten calls of panic from other brewers," he says.

Dogfish Head Craft Brewery Inc. in Milton, Del., is coping by trying to make its operations more efficient, locking in commodity contracts as early as possible and weighing a price increase, says brewmaster Andy Tveekrem, whose company is known for "hoppy" beers like 60 Minute IPA, or India pale ale.

"I think there's going to be some brewers out there," Mr. Tveekrem says, "if they haven't looked that far ahead, that actually might run out of malt or hops, which would be a catastrophe."

**7.** **Al Gore to Speak on Climate Change and Wine**Maggie Rosen
*Decanter News*October 8, 2007

Former US Vice President Al Gore will be the keynote speaker at a 2008 conference devoted to climate change and its impact on wine.

The International Climate Change and Wine conference, the second to be organised by the Wine Academy of Spain, will take place in Barcelona in February 2008.

The roster of speakers includes international consultants Michel Rolland and Dr Richard Smart, and winemakers Miguel Torres of Bodegas Miguel Torres, Ernst Loosen of the Dr Loosen estate in Germany, and Bruno Prats, former owner of Chateau Cos d'Estournel.

Gore, a speaker and champion environmental awareness and author of An Inconvenient Truth and star of the documentary of the same name, will kick off the two-day event on February 15.

The conference will comprise presentations, panels and seminars covering topics associated with oenology and global warming - specifically, the implications for vines, viticulture and wine itself of rising greenhouse gases and UV-B rays. These subjects are among those debated in the November 2007 issue of Decanter magazine.

The first Climate Change and Wine conference was held in 2006, and featured experts like Dr Christian Butzke of Purdue University and Dr David Smart of UC Davis. It attracted 40 journalists from 17 countries.

<http://www.decanter.com/news/148315.html>



**8.** **Tobacco Oversight Has FDA Chief Wary**
*Associated Press*October 4, 2007

The head of the Food and Drug Administration, in his strongest statement to date, questioned efforts in Congress to have his agency regulate the tobacco industry. Andrew von Eschenbach said in a statement prepared for a House subcommittee hearing yesterday the agency has "concerns" about the bill being considered in the House and Senate. He said he fears the bill "could undermine the public health role of FDA," because it would tie the agency's mission to tobacco products, which are harmful. Dr. von Eschenbach said the bill also may be difficult to implement, because the concepts from drug regulation that it would apply to tobacco products don't fit well. He also said the agency worried about the funding and resources the bill would provide for the regulatory work.

<http://online.wsj.com/article/SB119147013702148705.html?mod=googlenews_wsj>

**9.** **Smokeless Tobacco Whiffs into America**

*Business Times*October 5, 2007

Cooling his heels outside a popular nightclub here recently, Jesper Froberg stubbed out his cigarette and reached for a less harmful pleasure: smokeless tobacco, neatly packed in tiny pouches that look like miniature used tea bags.

“I’m really concerned about my health,” said Froberg, a maitre d’hotel, who tries to limit his smoking.

**“This stuff is safer than cigarettes, it’s discreet, and it’s really good.**

”Now this form of tobacco is coming to America, in the midst of an intensifying debate over how to define “reduced risk” tobacco products and how to market them.

Snus (rhymes with loose) is a moist ground tobacco that a user tucks between the cheek and the gum. Unlike chewing tobacco and moist smokeless tobacco — commonly known as dip — snus requires no spitting. Thanks partly to its popularity here, Sweden has the lowest smoking rates in Europe. It also has fewer incidences than its neighbours of smoking-related diseases, including lung and oral cancer.

Snus is not without its dangers. It contains nicotine, which speeds the metabolism, and is as addictive as cigarettes. It has also been linked in a recent clinical trial to pancreatic cancer, though, unlike cigarettes, not to lung or mouth cancers.

With the Sweden experience as a blueprint, the American tobacco industry is looking to snus as a potentially profitable, less dangerous alternative to cigarettes.

Philip Morris USA and R.J. Reynolds Tobacco have begun test-marketing it around the country under their most famous names, Marlboro and Camel. But recalling the false promise of “light” and “mild” cigarettes, critics say smokeless tobacco is a Trojan horse, meant to enable companies to hold on to customers who might otherwise quit their tobacco habit outright.

“There is no scientific evidence whatsoever that smokers are able to switch to smokeless tobacco and remain switched,” said Thomas Glynn, the director of cancer science and trends at the American Cancer Society.

Still, Glynn also believes that if every smoker in the US were to switch to smokeless tobacco, “in the next decade we would see fewer cancers and less heart disease.”The European Union banned the sale of snus in 1992, partly out of concern that it would be marketed to young people — a policy that almost derailed Sweden’s membership bid, until a waiver was granted.

There are no such restrictions in the US, where there is a long tradition of smokeless tobacco and a growing market for it. Moreover, advocates say, snus is less harmful than American dip, which is fermented rather than pasteurised, and can cause mouth cancer.

“I think it’s a potentially huge market,” said Lennart Freeman, president of the North America division for Swedish Match, which dominates the market here, selling some 250 million slim cans of snus a year.

The company has begun to sell snus in tobacco shops in New York, Chicago and other cities. Given the negative perception of tobacco and the restrictions on advertising, though, company officials said it would take time to educate Americans about snus’s advantages over other tobacco products.

In Sweden, snus has existed for some 200 years, enjoying a revival in popularity over the last 20 years. There is little dispute that it has had an impact on smoking habits, at least among Swedish men.

In 1976, 43 per cent of men here smoked regularly; by 2005, only 14 per cent did. During that period, the percentage of men using snus jumped to 22 per cent, from 9 per cent.

But not everyone who takes up snus is a smoker. And not every smoker stops when they use it. A few continue to smoke daily, while others, like Froberg, smoke now and then. An estimated 5 per cent of Swedish men have quit smoking altogether in favour of snus.

“If you have a product that works well as a smoking-cessation product, then why not use it?” asked Dr. Lars E. Rutqvist, the vice president for scientific affairs at Swedish Match. Dr Rutqvist, an oncologist who used to think snus was “disgusting,” has become one of its most ardent advocates. He argues snus can serve as a less risky alternative for chronically addicted smokers and as a way for less addicted smokers to wean themselves.

Those claims — not to mention his recent decision to take a job at a tobacco company — have put Dr Rutqvist at odds with colleagues in the Swedish medical establishment. Doctors here are deeply divided about the proper role of snus, with some arguing that its risks should not be discounted.

Snus contains nitrosamines, the same cancer-causing chemicals in cigarettes, but at lower levels.

In a recent study of 280,000 Swedish construction workers, published in June in the British medical journal Lancet, snus was found to be a risk factor for pancreatic cancer. There was no evidence of a higher risk for lung or oral cancers among snus users.

Snus also contains plenty of nicotine, which doctors say has dangerous metabolic effects.

This nicotine kick, its advocates say, is what makes snus more effective as a way to quit smoking than patches or gum.

Still, there are no reliable scientific studies on snus as a smoking-cessation tool.

“If you make this widely available, how do you ensure it’s not used as a gateway to smoking?” said Olof Nyren, an epidemiologist who oversaw the construction worker study at the Karolinska Institute in Stockholm.

The institute is Scandinavia’s leading medical research centre, and its faculty will select this year’s Nobel Prize winner in medicine.

Critics poke other holes in the arguments of tobacco companies: smoking rates for Swedish women also dropped sharply, from 34 to 15 per cent from 1976 and 2005, but relatively few women took up snus. About four per cent of women now use it.

Smoking opponents say Sweden’s low smoking rate owes more to its strict tobacco control policies than to snus. They say tobacco companies are simply seeking another channel to deliver their product at a time when smoking is banned in restaurants, offices and bars.

“It’s a clever marketing ploy,” said Margaretha Haglund, the director of tobacco prevention for the Swedish National Institute of Public Health. “I’m not a health fascist,” she added, “but I don’t believe the solution to the tobacco problem lies in a new product from the tobacco industry.”

At the moment, there is little scope for marketing snus in the US, since tobacco companies cannot make health claims without running afoul of the federal government or risking lawsuits. Legislation pending in Congress would let the FDA regulate tobacco and develop rules for companies marketing reduced-risk products.

That prospect has split the tobacco industry. Philip Morris USA, which sells about half the cigarettes bought in the US, supports the legislation — in part because it wants health claims evaluated by the federal government rather than the tobacco companies themselves.

But Reynolds American, the parent company of R.J. Reynolds, is opposed, arguing that the provisions in the legislation are so onerous that they would make it difficult, if not impossible, to introduce reduced-risk products and market them as such.

Still, with the number of American smokers declining every year — there are now about 45 million smokers, or 21 per cent of the adult population — American tobacco companies are expanding aggressively into reduced-risk products, notably dip and snus.

R. J. Reynolds is selling snus under the Camel label in eight test markets across the country. Last year, Reynolds American bought Conwood Sales, maker of Grizzly and Kodiak smokeless tobacco, for US$3.5 billion (US$1 = RM3.42).

Philip Morris USA recently introduced Marlboro snus in the Dallas-Fort Worth area, and it continues to test another snus product, Toboka, in Indianapolis.

It is set to open a US$350 million plant, near its headquarters in Richmond, Virginia, that will focus partly on developing reduced-risk products. Analysts said the Toboka test has been disappointing, and some are skeptical of the prospects for other snus products.Even here, in the homeland of snus, Swedish Match has to stretch to broaden its appeal.Its next target is women.

At a spotless high-tech production plant in Gothenburg, executives showed off a dainty lavender-coloured can, packed with cassis and menthol-flavoured snus. But it might not be enough.

At a bar in Stockholm, Frida Brannstrom, 27, who gave up snus a few years ago, mostly for oral hygiene, said the new packaging was cute. Then she added, taking a sip from a sloe gin fizz, “But probably, maybe it gives you cancer.”

<http://www.btimes.com.my/Current_News/BT/Friday/Corporate/20071004212557/Article/>

**10.** **CDC: People with Disabilities Smoke More**

**Americans with disabilities smoke more than everyone else, according to the first national study to compare smoking rates between the two groups.**

Mike Strobbe

Associated Press

October 3, 2007

More people with disabilities also said they‘d seen a doctor or nurse recently, and had been advised to quit cigarettes, the CDC study found.

The disabled population included people with mental illness and drug and alcohol addictions — groups known to have higher smoking rates. "It is very believable," Warner said, of the CDC study‘s findings.

They said many disabled people are smokers partly because a disproportionate percentage of them are low-income, and poor people have higher smoking rates.

"We find that disability still matters," said Brian Armour, a CDC health economist who was the study‘s lead author.

The nationwide study was done through a random-digit-dialed telephone survey in 2004 of about 294,000 U.S. adults. The survey did not include people in institutions or people whose disability prevents them from answering the phone, so it‘s likely the disabled smoking rate is even higher.

# grapes<http://www.localnewswatch.com/benton/stories1/index.php?action=fullnews&id=69387> 11. Retailers Following Teen Tobacco LawsPercentage of retailers selling tobacco to underage youth during unannounced inspections dropped to 10.9 percent last year, the government reports.

Kevin Freking
Associated Press
October 5, 2007

That is the lowest rates since states started conducting the stings a decade ago, according to figures being released Friday.

A 1992 youth smoking law requires states to ban tobacco sales to anyone under age 18. It calls for aggressive enforcement including random inspections using decoy buyers at grocery stores and other retailers.

States have to report the results, including penalties that were assessed, to the Health and Human Services Department. States that failed to reduce violation rates to 20 percent or less are subject to losing money from block grants.

For the first time in the program's history, every state had a violation rate of less than 20 percent for the budget year that ended Sept. 30, 2006, according to the Substance Abuse and Mental Health Services Administration, which oversees the program.

Arkansas had the lowest violation rate, 2.2 percent, followed by Mississippi at 3.2 percent and Delaware at 3.5 percent.

Kansas had the highest violation rate, 19.2 percent. Massachusetts had a violation rate of 18.2 percent and Oregon's was 17.8 percent.

"States have done an extraordinary job over the last 10 years in helping us stem illegal tobacco sales to minors," said Terry Cline, the agency's director.

Every day, about 3,000 young people become regular smokers. It is estimated that one-third of them will die from smoking-related diseases.

<http://ap.google.com/article/ALeqM5gmFpkvUntzSNmVxATGIW9LiBFHEwD8S2RV300>



**III. INTERNATIONAL NEWS**

**12. China Calls for Less Smoking on TV Shows***Benton Local News Watch*

October 5, 2007

China‘s government urged television and film producers to avoid "unnecessary and lengthy" smoking scenes, following public complaints about rampant cigarette smoking in a popular miniseries, a state-run newspaper said Friday.

China‘s State Administration of Radio, Film and Television, or SARFT, has said it would "ask TV and film production companies and inspection agencies to avoid unnecessary and lengthy smoking scenes," the Beijing News reported Friday.

SARFT made the comments in a document issued at an Aug. 8 anti-tobacco symposium, the Beijing News said. It was not posted on the agency‘s Web site.

An estimated 350 million Chinese are smokers, accounting for more than one-quarter of the world‘s total. Tobacco-related diseases kill about 1 million people in China every year, and publicity campaigns about the health dangers have begun to turn public attitudes against the habit.

<http://www.localnewswatch.com/benton/stories1/index.php?action=fullnews&id=70701>

**13.** **Supporters say Government isn't going far enough with Liquor Sales Rules**

**Zero tolerance of alcohol consumption in drivers under 20 is one of the proposed reforms.**

*New Zealand Herald*

October 09, 2007

The Government has the votes to implement measures aimed at tightening the supply of liquor to minors, but even supporters say the changes don't go far enough.

In February, Justice Minister Mark Burton announced a review of the sale and supply of liquor to under-18s.

At the time he said proposals could include imposing harsher punishment on those who sold liquor to underage people and tighter controls on alcohol-supply by others.

Mr Burton is consulting the Maori Party, the Greens, NZ First and United Future about a package of measures, which are understood to include:

Creation of a new offence for an adult (except a parent or guardian) to supply alcohol to anyone under 18 who goes on to consume alcohol in a public place.

A new offence for anyone under 18 to supply another minor with alcohol to be consumed in a public place.

Managers of licensed premises to lose their right to sell alcohol if they are caught selling alcohol to minors three times within three years.

Zero tolerance of alcohol consumption for drivers aged under 20. The current limit is 30mg for every 100ml of blood, lower than the 80mg limit for over-20s.

Tighter rules over which documents those selling alcohol can rely on as proof of a young person's age.

Changing the law to remove reasonable grounds as a defence and requiring sellers to rely on approved proof-of-age documents.

Green Party drugs and alcohol spokeswoman Metiria Turei yesterday said the measures would probably receive the Greens' support. However, they failed to address the main problem, which was the 60 per cent of teens who were supplied alcohol by their parents or guardians.

New Zealand First law and order spokesman Ron Mark also said the changes did not go far enough.

However, the party was likely to support anything that even slightly improved the current situation.

## grapesIII. IOWA NEWS14. Police Say Minors Can Easily Buy Alcoholic Energy DrinksSparks Energy Drink Raises Concern

*Kcci Channel 8*

October 10, 2007

An energy drink that contains alcohol is raising concern.

Des Moines police said young people can easily buy Sparks.

Cole and Sam Bates-Norum play sports and drink energy drinks. They said if the bottle is labeled as an energy drink, they would probably drink it and not know the difference.

Police have been advised that young people have been buying cans of Sparks in some local convenience stores, and they and may not even realize the beverage is malt liquor.

A home brewer said Sparks tastes like Orange Crush.

Mothers Against Drunk Driving said it's the wrong type of packaging for alcoholic beverages.

Michelle Coles said it looks like the company is trying to sell it to youth people, but don't know how it gets to underage people.

To confuse matters even more, there is another energy drink called Spark, which has been marketed to children.

However, Sparks packs a double whammy with a jolt of caffeine, ginseng and almost double the alcohol content of some beer.

Most domestic beers range from 3.2 to 5 percent alcohol content. Sparks has 6 percent alcohol content.

Dr. Ken Cheyne, of Blank Children's Hospital, said the combination of alcohol and caffeine puts a shock on the system and causes dehydration.

Some cardiologists caution that too much of the mixture may cause a person's heart to race and blood pressure to rise as well.

Police advise parents to keep tabs on what their children are doing and what they're drinking.

http://www.kcci.com/family/14312838/detail.html

**15.** **Official Upholds Razamatazz Alcohol Suspension
A decision to suspend alcohol sales for 30 days at an Urbandale bar has been upheld by a state regulator.**

*Des Moines Register*October 11, 2007

Lynn Walding, administrator of the Iowa Alcoholic Beverages Division, said Monday he will not back down from the 30-day ruling he made in late September against Razamatazz Grill & Bar, 2301 Rocklyn Drive. Bar managers had appealed the decision.

Beverages division officials have said the bar's management knowingly allowed more than the posted occupancy in the bar in the early morning of Feb. 18.

The 30-day suspension will begin at 6 a.m. Monday, Walding has said.

Urbandale police and fire officials testified at a hearing that they counted 233 people leaving Razamatazz Feb. 18, more than 70 beyond the posted fire code limit of 160.

Bar management testified there's no way the tally of police and fire officials, who performed the count in their heads, could be accurate. Razamatazz employs Factor Security, which uses a clicker to do a count, and security officer Scott Shamblen testified they've never been told by Razamatazz management to exceed capacity.

Iowa Administrative Law Judge Margaret LaMarche first proposed a 21-day suspension in the case. Walding chose to review the decision because he said the 21 days was less than a typical penalty. Walding extended the 21-day suspension to 30 days.

Walding has said that decision took into account that Razamatazz had received previous warnings about overcrowding and on Feb. 18 management tried to evade law enforcement officers by letting people out the back door.

****<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20071011/NEWS/710120355/1001/NEWS>

**16. Ordinance Keeps Controversy Chugging
Nov. 6, Iowa City voters will cast their ballots in favor of or against the 21-year-old entry age ordinance, a topic that has brewed up quite a controversy.**

[Ross Boettcher](http://www.iowastatedaily.com/user/index.cfm?event=displayAuthorProfile&authorid=2646221)
*Iowa State Daily*October 10, 2007

Currently, the Iowa City bar district opens its doors to anyone 19 and older - a rule that doesn't apply to bars in Ames.

When it comes to drinking in general, Iowa State's current numbers were a bit surprising. According to a 2007 study conducted by the Student Health Center, 73 percent of students drink while 18.7 percent of those individuals partake in high-risk drinking, which is defined as five or more drinks in one sitting.

Raymond Rodriguez, program coordinator for the Student Health Center, said although some students partake in binge drinking, the numbers show the current drinking habits at Iowa State are improving.

"We have people that drink at high risk, but they don't do it often," Rodriguez said. "The overall majority of students don't regularly go over the high risk, and a huge number of people [27 percent], who you wouldn't suspect, don't drink at all."

When analyzing the drinking habits of students, Patrol Cmdr. Jim Robinson of the Ames Police Department said no matter what rules or regulations are placed on students, drinking is a problem - period.

"Alcohol abuse is the number one substance abuse within our community here," Robinson said. "It's not just related to drunk driving or public intox, it's a domino effect that creates more issues."

Along with general alcohol consumption, Robinson said Ames would struggle to regulate underage drinking if it adopted the same 19-year-old admittance rules that are currently used in Iowa City.

"I don't think it's possible to police an environment such as a bar with underage people in there," Robinson said. "I would suspect it's almost impossible to prevent underagers from drinking when they're allowed into the bars."

People in Ames under the legal age are relegated to chancing it with fake IDs or attending house parties to get a buzz, but neither are considered to be safe or intelligent options.

Throughout his career, Rodriguez said he has seen more problems stemming from drinking at house parties than from drinking at bars.

"We do see more problems coming out of the house parties because they're not monitored in any legal sense," Rodriguez said. "Bars are legally responsible for the people who drink there. If the bartender overserves somebody, they are legally responsible."

On the issue of fake IDs, Robinson said even if the admittance age in Ames was reduced to 19, there would still be a problem with underage drinking.

"If the law is set that you have to be 21 to legally drink, by allowing individuals under the legal age into the bar you will have violations of the law," Robinson said.

When it comes to first-hand experiences with problems in Iowa City, Sgt. Troy Kelsay of the Iowa City Police said maturity is the biggest problem at the University of Iowa.

"The bars themselves, and especially the pedestrian plaza where there's a concentration of bars, are responsible for a good percentage of our calls after 11 p.m.," Kelsay said. "I don't think age alone is the factor, but as a rule, maturity does track along with chronological age. So, asa person does age and does experience more, you will see less drinking with no regard of others."

Although Ames' bar district is far different from that of Iowa City, ISU students feel underage drinking is something that's going to happen regardless, inside the bar or at house parties.

"If the bar age here was 19, I'd go," said Blaine Sylvester, freshman in engineering.

"I don't think it's that big of a problem because there's underage drinking that goes on outside of the bars, not just inside the bars."

Lakin Stevicks, sophomore in animal science, said just because you can get into the bars at 19, it doesn't necessarily mean alcohol is going to be involved.

"I think it might be more fun, just because you're a certain age doesn't mean you're going to drink," Stevicks said.

"If they didn't have the 19-year-old rule there would probably be more people using fake IDs."

Although having a younger crowd overtake the bar scene may not bode well with some, Sylvester said there will always be a time and place for a good house party, no matter what the admittance age for the bars.

"I think most people go to house parties until 11 p.m. or midnight and then they go to the bars," Sylvester said.

[www.iowastatedaily.com](http://www.iowastatedaily.com)

**17.** **Sweating over Drinking
Night Games Ties to Lure Students out of Bars**

Hieu Pham
*Iowa City Press-Citizen*
October 9, 2007

At 11:30 p.m. Saturday, 20-year-old Tory Flack left her friends at the bars and tied a rope around her waist and scaled the walls of an indoor rock-climbing gym at the University of Iowa Field House.

"I love it," the UI junior said. "But I don't know if this can compete with Lingerie Night at Studio 13."

Some consider partying a benchmark of college. However, the university faces public pressure to change its heavy drinking image. One suggestion has been to give students reasons not to go downtown.

Night Games is one example. Sponsored by University Housing and Recreational Services, the event takes over the UI Field House once a month during the school year to host a series of games free to anyone who wants to spend a Saturday night without alcohol. Students can rock climb, swim and take part in the basketball, dodgeball, volleyball and racquetball games.

Organizers say between 200 to 500 students usually attend. On Oct. 6, the Field House was as lively and loud as downtown Iowa City, except everyone wore gym shorts and T-shirts.

"I think there is so much to do at the university," said Buddy Housman, a graduate student in residential life programming.

Housman assists activities at campus dormitories, as well as Night Games. He said the event began about 10 years ago with students who were looking for "a different ind of Saturday night experience."

Games start at 9 p.m. and end at 1 a.m. The event is advertised on tabletops at dorm cafeterias. Also, organizers lure students in with the offer of free pizza.

But will students choose something such as Night Games over drink specials at a downtown bar?

Some said they would.

"It's been awesome and a lot more fun than what I did last night," said 18-year-old UI freshman, James Tutson.

Resting on a chair to catch his breath after an intense dodgeball game, Tutson said this was his first time at Night Games, and he would go again.

Freshman Sarah Kirk and Kendall Dingwall, both 18, were resting after swimming. They said not every student likes to drink, and they were two of them.

"I personally don't like the bars," Kirk said. "I don't like the crowds or everybody getting drunk, and it's cramped."

Dingwall said the problem with Night Games is that it happens only once a month, or four times for the fall semester.

"I don't have a membership to fitness clubs ... so I can't go swimming all the time," she said. "But I can always go to the bars."

Students said UI is full of activities throughout the week, but not many on the weekends.

Between bites of his pepperoni pizza, 20-year-old UI junior Danny Ryerson said "there's not a lot of things to do in Iowa City other than go to the bars."

Ryerson loves Night Games -- he plays wallyball, which is basically volleyball inside a racquetball court. However, he said some people just prefer to drink.

Excessive drinking by college students has long been identified as a rampant problem. Most recently, a study by the National Center on Addiction and Substance Abuse at Columbia University reported that 49 percent of full-time college students regularly abuse drugs or binge drink, which is defined as five or more drinks in a night for men and four or more drinks for women.

And UI, nearly 70 percent of students report recent binge drinking compared with 46 percent of college students nationwide, according to the most recent Harvard University College Alcohol Study.

In Iowa City, the issue of alcohol abuse among students is tied to the drinking culture downtown. The center of city night-life and entertainment is adjacent to the university campus, where more than 40 establishments serve alcohol. Voters can decide Nov. 6 if the city should block bar entry after 10 p.m. for people younger than 21.

The issue also is being addressed on the national level. The U.S. Surgeon General in March issued its first call to action to reduce underage drinking. Colleges were asked to stop alcohol advertising in campus newspapers, offer more late-night activities and shift more classes to Friday to shorten the weekend that has students drinking by Thursday night.

UI answered the call by saying it would move more classes to Friday starting in the 2008 fall semester.

Students Eli Wayman, 22, and Jake Gabelman, 21, think more events such as Night Games are the solution.

Wayman said he doesn't even like the bar scene. Gabelman, a UI senior, said he would have gone to more alcohol-free events if he had known about them.

"If they advertise a little more, I bet they could get a lot more people here," Gabelman said.

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20071009/NEWS01/710090332/1079>

**18.** **Smoking Takes a Dive**
**UI's quit-smoking phone line has received an additional 3,500 calls between March and August of this year compared with the same period in 2006.**

Olivia Moran
*The Daily Iowan*October 9, 2007

Officials say the jump in numbers could be credited to the tobacco-tax increase in Iowa, which went from 36 cents to $1.36 per pack in March and the change in Iowa Medicaid Enterprise services since January.

At the same time, Iowa tobacco sales have decreased by approximately 30 percent since the tax increase in March.

Esther Baker, the program coordinator for the Iowa Tobacco Research Center, said Iowa Medicaid has covered certain medications, such as a nicotine patch or gum, for patients who wish to quit smoking since the beginning of the year.

However, the services only cater to patients who have first received counseling with the Quitline Iowa service. The UI line is the only service of its kind that will qualify callers for Iowa Medicaid assistance.

Smokers can call the line seven days a week between 8 a.m. and midnight.

"Our counselors would talk to you about your smoking history, whether you've tried to quit before, what worked and what didn't," Baker said.

Counselors will also ask about support systems, how to get around cravings, and ways to substitute other behaviors with smoking behaviors, she said.

Quitline Iowa is a free service through the Iowa Tobacco Research Center at the UI College of Public Health that offers counseling for those who wish to quit smoking.

The quit line is funded by the Division of Tobacco Use Prevention and Control at the Iowa Department of Public Health. Division Director Bonnie Mapes said this funding will continue to rise until next year.

Quitline Iowa's budget has risen to around $1.3 million this year from around $458,000 last year, according to the division's state and federal budget allocations.

Mapes said the budget will rise again to $1.8 million sometime next year.

"Last year, [funding] was all going to counseling and infrastructure," she said.

This year, she said, it will go toward support equipment, the website, and helpful materials given to the smokers. The program will undergo even more changes by the end of 2007.

"The new Quitline contract will include free nicotine patches and gum," Mapes said, stressing that the new feature is not yet active.

Iowa's tobacco tax is the 17th highest in the nation, behind New Jersey, Rhode Island, and Washington, whose taxes are all above $2 per pack. The states' average is around $1.10.

The owner of the Tobacco Bowl, 111 S. Dubuque Street, Hart Epstein, said whether the rise in taxes has affected his business is a question he is frequently asked. He has seen "no noticeable change."

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/09/Metro/Smoking.Takes.A.Dive-3020349.shtml>

**19.** **Smoke-Free Policy gets First Reading**

**The Harlan Community Schools Board of Education has taken the first step toward making its campus facilities smoke-free.**

*The Harlan Tribune*October 5, 2007

The Harlan Community Schools Board of Education has taken the first step toward making its campus facilities smoke-free.

The board last week had the first reading of its new tobacco policy as well as the first reading to strike an existing tobacco policy.

Under the terms of the new policy, all facilities owned or leased by the school district, including school vehicles, shall be off limits for smoking or use of other tobacco products. The requirement extends to employees and visitors, and is in effect at all times.

Smoking and use of other tobacco products are also banned in the grandstand and bleacher areas of the outdoor athletic stadium. All school district personnel will be charged with enforcing the policy. In addition, a policy currently in place that creates smoking and nonsmoking work areas is being stricken.

The district has been discussing putting a smoke-free policy in place since last spring, when it was approached by the Just Eliminate Lies (JEL) student group which proposed the policy.

The board has taken much of the past six months to gauge public reaction to any change as well as to develop the current proposal on the table.

The board will have a second reading on the policy before final adoption. If approved, it's expected the smoke-free campus policy will go into effect January 1.

<http://www.zwire.com/site/news.cfm?newsid=18887063&BRD=901&PAG=461&dept_id=130069&rfi=6>

**20.** **Middle School Student Faces Citation for Tobacco Possession**

Karla James
*Radio Iowa News*October 3, 2007

People get arrested all the time for carrying illegal drugs, but tobacco? Sure, if the person carrying them is under 18. A Glenwood Middle School student learned that lesson this week after being caught carrying chewing tobacco. He was cited for being a minor in possession of tobacco.

Glenwood Police Chief John O'Connor says it's is no different than carrying a pack of cigarettes. O'Connor says, "Any tobacco products, whether it is cigars, various types of chewing tobacco and cigarettes of course." He says they work closely with the schools to make sure everyone is following the law.

O'Connor says "The officers in our department in conjunction with the school routinely write citations for tobacco violations that is possession of tobacco products by under 18." He says carrying any type of tobacco can be a costly offense for minors.

O'Connor says "First offenders have a blanket 50-dollar fine plus court costs. Second offenders, 75-dollars and 100-dollars for the third offense." He says parents should take close note of this as they are the ones usually having to foot the bill.

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**21.** **Judy Gonzales Works to Snuff out SmokingNurse leads tobacco prevention efforts for Community and Family Resources.***Fort Dodge Messenger*October 8, 2007**Love the smoker, hate the smoke.**Such is the mantra of Judy Gonzales, whose professional life revolves around preventing and diminishing tobacco use.Gonzales cares a lot about helping people, in her words.For the past 32 years, Gonzales, a native of Algona, has put this ambition into practice by working as a nurse.‘‘I started out at 19 as a (licensed practical nurse),’’ said Gonzales, who received a registered nursing degree from Iowa Central Community College.Through her years in the field, Gonzales has filled a variety of positions, which have led her to such locations as California and Arizona — where she worked in pediatric intensive care. ‘‘That makes you look at life kind of differently,’’ said Gonzales. ‘‘You try not to sweat the small things.”For the past seven years, Gonzales has worked with Community and Family Resources of Fort Dodge.**She’s currently in charge of the agency’s efforts to prevent tobacco use.**‘‘One of the most important things to me is increasing public awareness,’’ said Gonzales. ‘‘I see the illnesses, the health-related consequences. That’s why I do what I do. I get very passionate about it.’’ As part of her position, Gonzales works with the local chapter of Just Eliminate Lies, a youth group that promotes anti-tobacco education.JEL members participate in various community activities to raise awareness of the ill-effects of smoking, she said.Kicking the habit is no easy task, Gonzales acknowledges.‘‘Addiction is so powerful and difficult to overcome,’’ she said. However, those who manage to quit ‘‘become teachers in their families,’’ said Gonzales. In the past, Gonzales received grant money to work one-on-one with smokers who sought to quit.Currently, Gonzales’ activity focuses on group tobacco cessation programs, she said.‘‘I can work with any workplace that develops a tobacco-free policy,’’ she said.Recent smoking bans implemented by the Fort Dodge Community School District and several area restaurants register as victories for Gonzales, she said.grapes<http://www.messengernews.net/News/articles.asp?articleID=13070>  |

**IV. OTHER STATE NEWS**

**22. City Hopes for New Tax on Alcohol (Alaska)
New booze tax could be coming to Anchorage, and city leaders are already planning how to spend the money.**

*Anchorage Daily News*

October 4, 2007

The cash would be used to buy Community Service Patrol vans to pick up drunks. It would pay for more police to patrol downtown at night and on weekends. What it wouldn't be used for, at least not directly, is reducing property taxes, according to the spending plan proposed by Mayor Mark Begich this week.

The tax, a 10-percent wholesale levy on all types of alcohol, is no sure thing. Supporters must first collect more than 7,000 signatures to put it on next year's ballot, then it has to be approved by voters.

If adopted, the tax would raise the cost of alcohol in Anchorage.

Begich -- who supports the tax as a way to pay for things like after-school programs and prosecutors -- estimated that a six-pack of beer that now costs $6 would increase to about $6.35.

No way, said, Ed O'Neill, who co-owns the 18 Brown Jug stores in Anchorage and opposes the tax partly because he says alcohol tax rates in Alaska are already sky-high compared to the rest of the country

**23.** **California Bolsters Distributor Protections in New Beer Franchise Law (California)
New Beer Franchise Law**

Susan Cagann

October 11, 2007

This week, Governor Schwarzenegger signed new legislation expanding the rights of beer wholesalers in the event of a supplier's change in control, sale of a brand or other transition. Under Senate Bill 574, section 25000.2 is added to the Business and Professions Code; this statute compels a successor beer manufacturer to compensate a beer wholesaler if the distribution relationship is terminated.

The new law requires the successor manufacturer to pay fair market value for the terminated "distribution right". The value is to be negotiated by the parties. If the parties cannot reach agreement on the fair market value of the distribution right, mandatory arbitration is required. A dissatisfied party may appeal the arbitration award to the superior court. Until an agreement is reached or a result is compelled by an arbitrator or court, the successor supplier is required to continue the relationship with the beer wholesaler.

**A Case to Watch: Wine Distribution**

Litigants are wrapping up a trial in a case challenging well settled California law that permits wine suppliers to terminate wholesalers without compensating the wholesaler for the value of the departing brand or brands. Unlike beer distribution relationships, there is no statute in California that creates franchise protection for wine distributors. Since 1995, California courts have recognized that an oral distribution agreement for wine is terminable at will upon reasonable notice. Varni Bros. Corp. v. Wine World, Inc. (1995) 35 Cal.App.4th 880. Trial is underway in San Joaquin Superior Court in the matter of Phillips Farms v. Frank-Lin Distillers Products Ltd. Case No: CV029401 where among other issues, the distributor-Frank-Lin-- is asserting that the relationship cannot be terminated without the winery paying a significant termination fee.

In the Varni case, there was no written distribution agreement. The Court found that the parties' conduct evidenced a distribution agreement. The Court allowed evidence of trade customs to supply terms of the implied contract so long as they were consistent with the parties' conduct. As there was no agreement as to the duration of the distribution relationship, the Court held that the contract was of indefinite duration, terminable at the will by either party. In reaching this conclusion, the Court was persuaded by evidence of industry custom that wine distribution arrangements were terminable for any reason and not just for good cause. The Court held that Wine World was free to terminate the implied contract with Varni.

In the current litigation as in the Varni case, Phillips Farms had no written distribution contract with Frank-Lin. The relationship began in 2002. The winery provided reasonable notice of termination to the distributor. Frank-Lin asserts the relationship cannot be terminated absent good cause. And, the distributor is demanding a hefty penalty for termination.

Closing arguments in the case could begin before this week ends. The decision in this case could alter long standing practices in wine distribution relationships. If the distributor is successful, many wineries should reevaluate whether to require written contracts with their distributors or if they already have written agreements, to assess the terms in light of a distributor victory.



**24. Man Arrested after Chase Swigs Beer, Flips off Cops (Florida)***Associated Press*

October 4, 2007

A Winter Park resident made sure to finish his beer before tossing the cans out the window while leading deputies from St. Johns County on a high-speed chase.

William Galloway wrecked his pickup after the chase Tuesday evening — all while swigging beer and giving deputies the middle finger.

Authorities say he told them "he was going to die fighting and swinging." But a Taser shock ended that threat.

Galloway is being held on $8,000 bail in the county jail. He's charged with driving under the influence, driving with a suspended or revoked license, aggravated fleeing, attempting to elude and resisting arrest without violence. No one was hurt.

## grapesTests show his blood-alcohol level was nearly twice the legal driving limit.<http://www.tampabays10.com/news/local/article.aspx?storyid=64666> 25. Police Look to Stop Underage Drinking (Illinois)Illinois State Police are in hot pursuit of underage drinking through Operation Campus/TAP (Teen Alcohol Party), a program used to reduce and deter underage drinking.

#### Ed Komenda*Western Courier*

October 8, 2007

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| Illinois State Police use Operation Campus/TAP to reign in underage alcohol consumption. |

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The undertaking has been split in two categories: "Campus," focusing on college-age people, and "TAP," addressing high school youth.

"One of the reasons that we focus so heavily on underage drinking is to make our community as a whole better," said Ed Howard, Illinois State Trooper. "Any time there is a lot of alcohol consumption, other crimes tend to stem out from the drinking, and we would like to stop that from happening."

One of the techniques used in Operation Campus/TAP is undercover investigation. Police officers have recently been deployed into local bars, parties, buses and liquor stores dressed in street clothes.

"We look down every avenue required to stop underage drinking," Howard said.

Operation Campus/TAP not only aims to curb underage drinking, but it also looks to reduce death and injury caused by alcohol abuse among youths. According to Howard, whenever underage drinking increases, requests for medical services amplify.

"There have been cases on certain college campuses where students have died from alcohol poisoning, and Operation Campus/TAP is one way of trying to deter those things from happening," Howard said.

Two weekends ago, 42 citations and 52 written warnings were issued in the Macomb area for drug- and alcohol-related offenses, according to an ISP press release. There were also four arrests made within a two-day period for driving under the influence.

The average age of people charged for crimes involving drugs and alcohol ranges from 16 to 20. According to Howard, underage students risk losing a lot more than a few brain cells when drinking at a party.

"It is important for students to remember that a conviction for consumption of alcohol by a minor is a Class-A misdemeanor," Howard said. "Something like that on a permanent record can affect future career choices."

This program is funded through a grant from the United States Department of Justice, Office of Juvenile Justice and Delinquency Prevention and will be deployed each year based on its need.

"We want to encourage underage persons to not drink alcohol because we will be out there cracking down hard on offenders," Howard said.

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<http://media.www.westerncourier.com/media/storage/paper650/news/2007/10/08/News/Police.Look.To.Stop.Underage.Drinking-3017144.shtml>

**26.** **Wine Shipping Bill Signed by the Governor (Illinois)**

**New Law Brings Illinois in Compliance With U.S. Supreme Court Decision While Maintaining the Direct Sale of Wine to Consumers**

*Associated Beer Distributors of Illinois*October 3rd, 2007

The wine shipping law upholds Illinois' ability to regulate shipments of wine from both in-state and out-of-state wineries, and preserves the state's control of alcohol entering the state.

Wineries in Illinois and throughout the country will be able to sell their products to consumers more easily under legislation signed by Gov. Rod Blagojevich today.

Under HB 429, in and out of state wineries may now ship up to 12 cases of wine per year directly to a consumer. Wineries must obtain a winery shipper's permit from the Illinois Liquor Control Commission, which enables the Commission to more easily collect the appropriate taxes. The law also includes safeguards to prevent shipments to underage individuals and gives the Liquor Control Commission the power to conduct Internet stings and revoke the license of violators.

HB 429 permits wineries that produce less than 25,000 gallons of wine per year to sell up to 5,000 cases annually directly to retailers. HB 429 is being hailed as a law that is good for consumers, wineries and Illinois businesses.

"The intent of this provision is to permit small wineries to sell their wines directly to retailers," Illinois Grape Growers and Vintners Association President Paul Renzaglia says. "By signing HB 429, the governor has given our young industry the ability to grow and prosper."

HB 429, which was overwhelmingly approved by the Illinois General Assembly earlier this year, goes into effect June 1, 2008. The newly signed law brings Illinois into compliance with a 2005 Supreme Court decision, Granholm v. Heald, which provides that no state may "ban or severely limit the direct shipment of out-of-state wine while simultaneously authorizing direct shipments by in-state producers." HB 429 complies with Granholm v. Heald by treating in-state and out-of-state wine producers equally and evenhandedly.

"This legislation reaches our objective of bringing Illinois into compliance with the Supreme Court's Granholm decision," Jerry Rosen, executive director of the Beverage Retailers Alliance of Illinois says. "I would like to commend everyone for their time and efforts in accomplishing this goal."

"Illinois wineries produce high quality products that can compete with the wines from other states," said Paul Jenkins, Executive Director of the Wine and Spirits Distributors of Illinois. "We are proud to work with Illinois wineries to help market and distribute their products."

HB 429 is compromise legislation supported by a coalition representing Illinois' alcoholic beverage industry, including the Illinois Grape Growers and Vintners Association (IGGVA), Associated Beer Distributors of Illinois (ABDI), Wine Institute, Wine and Spirit Distributors of Illinois (WSDI), and Beverage Retailers Alliance of Illinois (BRAI). The industry recognized the need to comply with the Granholm v. Heald decision while maintaining Illinois' ability to regulate and control the importation of alcoholic beverages into the State.

"Today's bill signing caps years of work and great compromise between many stakeholders," Bill Olson, president of the Associated Beer Distributors of Illinois, says. "By enacting HB 429, the governor has ensured a safe and competitive marketplace for consumers, wineries and Illinois retailers."

The Illinois House approved HB 429 in June with 92 voting yes, 6 voting no and 2 voting present. The Illinois State Senate acted two months later, approving the measure with 49 voting yes, 5 voting no and 2 voting present.



**27.** **America's Beer Distributors Applaud Decision Affirming State Alcohol Regulation in Maine (Maine)**

*NBWA*October 12, 2007

The National Beer Wholesalers Association (NBWA) applauds the decision announced today by the First Circuit Court of Appeals upholding Maine's alcohol regulation system stating that "there is simply no evidence that out-of-state wineries suffer any disproportionate loss of business on account of Maine's direct-shipping ban."

"NBWA is greatly encouraged that the court not only upheld Maine's alcohol regulation system but also reaffirmed the strength of the three-tier system of alcohol distribution," said NBWA President Craig Purser. "This decision, which upholds the basic public safety goal of requiring face to face transactions to buy alcohol, upholds the 21st Amendment right of states, not federal courts, to write and guide alcohol policy. NBWA will continue to support and defend state-based alcohol regulation as a core priority."

The Court spelled out its reaffirmation of the three-tier system in its decision:

This three-tiered system has been justified on multiple grounds: as an efficient means of controlling the distribution of alcoholic beverages, as an effective means of promoting temperance, and as a facilitating means of collecting excise taxes. Its legitimacy has been vouch safed by no less an authority than the Supreme Court.

The Court also put great value in the strength and breadth of the amicus briefs filed in support of the state of Maine. Support came from a wide cross-section of groups, including attorneys general from 17 states, the Maine Chiefs of Police Association and industry groups representing all three tiers - producers, distributors and retailers - concerned about the efforts to gut state-based regulation of alcohol.

**28.** **Beverage Ban Aims to Curtail Teen Alcohol Use (Maryland)
2 Howard schools won't allow any drinks into games**

John Williams IV
*Baltimore Sun*October 5, 2007

Fans at two Howard County high schools are being told to leave all beverages at home when they attend athletic events in an effort to combat what one school official called an alarming level of drinking among students.

Administrators at Wilde Lake High School in Columbia and Centennial High School in Ellicott City separately instituted the ban in the past two weeks. The edicts, which apply to both students and adults, allows fans to possess only beverages that have been purchased from concession stands.

Vincent Parnell, athletic and activities manager at Wilde Lake High School, said the policy is needed because underage drinking at sporting events is rampant.

"In my 30 years of working in schools, I don't know if we've ever seen this much drinking," he said.

The beverage ban - including bottled water - will be enforced for the first time at Wilde Lake's varsity football game tonight against visiting River Hill High.

The ban is part of the "new and bolder" steps that school systems nationwide are using to thwart underage drinking, said Stephen Wallace, chairman and chief executive officer of Massachusetts-based SADD, Students Against Destructive Decisions.

"I think it is a logical step in the comprehensive strategy to address the epidemic which is underage drinking," he said. "They are common-sense approaches to keeping young folks away from alcohol."

The Baltimore City school system has a similar rule that prohibits fans from bringing beverages to sporting events.

In Howard County, individual schools are permitted to decide whether to prohibit fans from bringing beverages to games.

"I wouldn't be surprised if other schools followed," Parnell said. "My thought is that it should be a countywide initiative. It's one of those things that you cannot ignore."

Anne Arundel, Carroll and Baltimore counties do not have systemwide rules prohibiting outside beverages at school sporting events, officials said. It could not be determined yesterday whether individual schools had initiated such bans, representatives for several systems said.

In Harford County, high school principals observe students during games and can ask someone suspected of drinking to take a breath test, said county schools spokesman Don Morrison. During the past three years, each high school in Harford County has been equipped with a breath alcohol tester, he said.

Underage drinking at sporting events might be popular because young people are emulating adults, Wallace said. "Sporting events have been synonymous with drinking," he said. "Adults are to fault with that. Go to an Orioles or Ravens game, you will see adults who are under the influence of alcohol. I am alarmed by the things that kids have to see."

Centennial Principal Scott Pfeifer said he made the decision to ban outside beverages after a student reported several students were drinking alcohol in the stands at a recent football game.

"Based on that report, we took the conservative route and made sure this doesn't happen again," Pfeifer said.

"I have a general sense that the level of alcohol use with students is higher, and that is troubling," he said. "We've had several alcohol suspensions this year, and that concerns me."

Centennial students have received five of the 10 alcohol-related suspensions in Howard so far this school year, according to county school officials. Wilde Lake students recorded three alcohol-related suspensions.

Mary Jane Barbato-Grauso, president of Howard County PTA Council, agrees with the new rule.

"If the principals feel that this is a means to helping curtail underage drinking at these sporting events, I support them," she said.

Underage drinking has been a major issue in Howard high schools. In the past two years, it has resulted in a fatal car crash, arrests, police citations and students being barred from graduation ceremonies.

Officials at Centennial and Wilde Lake hope that their actions will prevent such incidents from occurring at their schools.

Parnell said he expects little resistance from fans to the beverage ban at tonight's football game, which features two undefeated, highly ranked teams. School officials will be stationed at the entrance to the Wilde Lake High stadium to enforce the new rule. Wilde Lake officials informed parents and students of the policy through an e-mail Tuesday.

"I think 99 percent of people will understand," Parnell said. "It will be for their safety. We're not infringing upon anyone's constitutional rights.

[http://www.baltimoresun.com/news/local/howard/bal-te.ho.alcohol05oct05,0,4728100.story?coll=bal-artslife-today](http://www.baltimoresun.com/news/local/howard/bal-te.ho.alcohol05oct05%2C0%2C4728100.story?coll=bal-artslife-today)

**29. Council Considers Change in Liquor Licensing (Minnesota)
Up until now, Rochester's laws have been crafted to keep small restaurants from serving liquor-based drinks.**

[*Post-Bulletin*](http://www.postbulletin.com/newsmanager/templates/localnews_story.asp?a=310878&z=2)

October 9, 2007

That looks like it's about to change.

City council members, in a Committee of the Whole discussion meeting on Monday, indicated support to lower the liquor threshold for restaurants from 100 seats to 30 seats.

Four of the five council members at the meeting voiced support for the plans.

Rochester is "getting bigger, and as we continue to grow we're going to continue to need places where people want to go after work," said Council President Dennis Hanson.

Alcohol sales are regulated by the city, which issues an array of different kinds of licenses to bars, restaurants and liquor stores based on the size and kind of operation. A few of the main licenses are:

• "Street bar" licenses, intended for businesses which sell mostly alcohol. The city can issue a maximum of 25 licenses, and 23 are issued.

• Restaurant liquor licenses, for large (100-seat) restaurants to serve beer, wine and hard liquor. There is no limit to the licenses, and 49 are issued.

• Wine and 3.2-percent beer licenses, for smaller restaurants to serve wine and less potent beer. Held in combination, the two licenses allow a restaurant to also serve what is called "strong beer," or beer with the standard alcohol content. There is no limit to the number of licenses the city may issue, and it has issued 36 wine licenses and 67 3.2-percent beer licenses.

While the license classes are designed to keep smaller restaurants from serving liquor-based drinks, there has been a way to get around that restriction.

Some restaurants applied for street bar licenses instead -- something that was made possible after the city added 15 licenses to its capacity in 2002.

Six of the street bar licenses are restricted to downtown locations, but only four of those are used.

In other words, the city has no available bar licenses for use outside of downtown.

City Clerk Judy Scherr said the restaurant liquor license law change would free up "three (street bar licenses) for sure."

Three small restaurants -- Avocados World Bistro, Catering By Design, and Wehrenberg Theatres -- took street bar licenses but would probably revert to a restaurant liquor license if it were available to them, she said.

The only opposition to the change was from council member Pat Carr, who said it was "for unstated reasons."

Council members Marcia Marcoux and Sandra Means were not at the meeting.



### 30. Fraternities Move Away from Party Image (Missouri) *Associated Press*October 4, 2007

The basement of the Sigma Phi Epsilon house at the University of Missouri-Columbia is filled with familiar fraternity icons like a well-worn pool table, stacks of violent films like "Kill Bill" on DVD, and of course, the stench of stale beer.

Early morning yoga is just one of the changes at the fraternity since the Missouri chapter adopted its "Balanced Man" program in 2006 — just a few years after the university punished the chapter for hazing.

"I didn‘t really feel like the traditional fraternity life was for me," said Tony Brown, a sophomore journalism major at Sigma Phi Epsilon. "I wanted a place I could come into and immediately feel respected."

That all changed at the Missouri chapter of Sigma Phi Epsilon when the national organization cleaned house last year following the hazing incident in which a group of pledges were told to "kidnap" an unwitting older member - a prank that caused worried onlookers to call campus police.

For the members who remained, skepticism ran high.

After the national purge, membership had dwindled to 32 men at Missouri. But over the past two semesters, another 25 have joined — many attracted by the opportunity to build friendships through mutual respect, not servitude.

After decades of wrestling with the stigma and the legal liabilities created by alcohol abuse, cheating, poor grades, hazing and other problems, fraternity leaders across the country are looking to reinvent — if not restore — the ideals of going Greek.

Nationally, programs such as Beta Theta Pi‘s "Men of Principle," Lambda Chi Alpha‘s "True Brother Initiative" and the Sigma Phi Epsilon "Balanced Man" effort seek a return to the roots of campus Greek life. Organizers talk of honor, virtue, scholarship, civic engagement and other core values.

"We‘re doing our best to destroy the frat boy stereotype," he said. "This is what Greek life is supposed to be about — holding men to a higher standard."

****<http://www.localnewswatch.com/benton/stories1/index.php?action=fullnews&id=69847>

**31.** **Tribal Court will handle Liquor Tax Suit (Nebraska)
A lawsuit that alleges the Omaha Tribe of Nebraska can't enforce a liquor tax on business owners located within reservation boundaries was moved from U.S. District Court in Omaha to Omaha Tribal Court Thursday.**

Travis Coleman
*Sioux City Journal*October 9, 2007

U.S. District Judge Richard G. Kopf ruled that 10 Thurston County, Neb., business owners who filed the lawsuit should file their complaint in Omaha Tribal Court in Macy, Neb., because the case deals with tribal sovereignty and jurisdictional issues, according to federal court documents.

In April the 10 filed suit against the Omaha Tribal Council, arguing that the council doesn't have the authority to tax them because their Pender, Neb., businesses aren't within reservation boundaries. They said they believe that an 1882 Act of Congress, which included the sale of the village of Pender, shows that the town is not within the tribe's jurisdiction, and thus, not subject to the liquor tax.

According to the tribe, the tax is legal because it was authorized by the U.S. Department of the Interior and being within the jurisdiction granted to the tribe by Congress.

On Jan. 1 the tribe began enforcing its liquor regulations, including a 10 percent tribal liquor tax. The enforcement of the regulations was put on hold after a temporary restraining order was issued. Attorneys for the plaintiffs and the defendants must file joint status reports to U.S. District Court on Jan. 4 and every 120 days thereafter to make sure the case is moving along.

In a press release issued Friday, Omaha Tribal Chairman Mitchell Parker said the tribal council was pleased with the court's decision because it respects the sovereignty of the tribal judicial system.

In March a vandalism was reported at a Rosalie, Neb., convenience store that was one of several that opposed the liquor tax.

"This case has caused a lot of animosity in the community," said Maurice Johnson, the tribe's general counsel.

Phone messages left Friday afternoon for the plaintiff's attorneys, Ted Lane and V. Gene Summerlin Jr., were not returned Friday. Johnson said he is sure the businesses will refile their complaint in tribal court, which they were ordered to do promptly or Johnson could file a motion to dismiss the original complaint in federal court.

Plaintiff Thomas Welsh, owner of Welsh's Bar in Pender, said they will appeal the decision to send the case to tribal court.

"We'll lose it in tribal court," Welsh said.

<http://www.siouxcityjournal.com/articles/2007/10/06/news/local/7ee8c0f8e17b42048625736c000ed9ae.txt>



**32. Mother Gets Drunk at Skate Park, asks Child to Drive Car (Nebraska)**

**A small child is in protective custody, while his mother is in jail on numerous charges following an incident at the Broadway Skate Park Wednesday afternoon.**

*Council Bluffs Daily Nonpareil*October 5, 2007

Police went to the park around 4 p.m. after receiving reports that a woman was in a car trying to get one of the nearby kids to drive her to cash a check. The woman was later identified as Heather A. Cornwell, 34, of Omaha.

Officers observed a small child sleeping in a car seat in the back seat. Cornwell said the child was her son. Cornwell told officers she began drinking at the park and decided she was too drunk to drive home and asked for someone to drive her. She handed officers an open beer can that was three/fourths full. Cornwell's blood alcohol level was .136.

According to the police report, after being handcuffed and escorted to a police cruiser, Cornwell suddenly threw herself on the ground and began crying hysterically. As officers began to lift her, Cornwell began kicking her feet. She also braced her feet against the cruiser seat and doorframe to prevent officers from putting her in the vehicle, though they were eventually able to.

Cornwell was charged with public intoxication, child endangerment and disobeying police officers. The child was taken into protective custody and transported to Children's Square.

# grapes<http://www.zwire.com/site/news.cfm?newsid=18887937&BRD=2703&PAG=461&dept_id=555107&rfi=6> 33. Towns Can’t Adopt Keg Registration Rules (New Jersey)

*Beverage News Daily*

October 9, 2007

Saying “the issue of keg registration is a matter best addressed by the legislature,” the director of the New Jersey Division of Alcohol Beverage Control ruled New Jersey municipalities may not adopt keg registration ordinances.

In an advisory opinion, Jerry Fischer acknowledged that New Jersey municipalities have the authority to regulate the sale of alcohol beverages within their communities.  The problem, he explained, is that the ordinance must have “uniform enforcement.”  This is impossible for two reasons:

First, different municipalities may require different information on beer keg registration tags.

Second, the ordinances “impose a penalty on anyone, save a licensee or certain official who is found in possession of an unregistered keg.  The inclusion of such a violation, while likely well-intentioned, case easily become problematic if a citizen (with a registration ordinance) purchases a keg in a municipality that has no registration requirement.  Such a citizen, if discovered, will face a penalty even if that citizen is of legal age and the retailer the citizen chose to patronize complied with all State statutes and ordinances of its own municipality when making the sale.”

Fischer’s opinion noted that New Jersey statutes allow towns to regulate the conduct of “any business licensed to sell alcoholic beverages at retail.”  This provision “does not encompass the conduct of average citizens in choosing where to purchase alcohol.”

Also objectionable is the fact keg registration statutes “attempt to regulate conduct outside the borders of the municipality adopting the ordinance by imposing the registration requirement on another town’s licensees, should they wish to continue serving citizens from municipalities with registration ordinances. . . . This is improper; a municipality is authorized to regulate the alcoholic beverage industry only ‘as regards said municipality’.”

It doesn’t make any difference how precisely a keg-registration ordinance is adopted, Fischer wrote.  “Registration of beer kegs is a matter that must be addressed on a constitutional basis, either though agency registration or legislative enactment.”

The New Jersey ABC won’t be adopting a keg registration regulation, he added, because ABC “only regulates those holding liquor licenses. . . . The issue of keg registration is a matter best addressed by the Legislature.  The Legislature has considered keg registration in the past and hasn’t acted on it.  This may indicate the Legislature questions the need for such a statute.”



**34.** **Bill Would Ban Alcohol Ads on Buses, Subways (New York)**

**Subways and buses could soon become an alcohol-free ad zone if Assemblyman Felix Ortiz of Brooklyn gets his way.**

*NY Daily News*October 4, 2007

Ortiz, the Sunset Park Democrat who authored the nation's first state law banning the use of hand-held cell phones by drivers, now is targeting public transit advertising beckoning riders to imbibe liquor, wine and beer.

It's not that Ortiz, chairman of the Assembly Committee on Alcoholism, is a modern-day prohibitionist. Far from it. In fact, he'd like to lower the legal drinking age in New York from 21 to 18.

It's just that he thinks the subways provide a captive audience of too many people who shouldn't be getting the message that alcoholic drinks are an essential ingredient for lusty romance and fun in the surf.

"We have so many problems in our society with underage drinking that we don't need this kind of advertising in our public transit systems," said Ortiz. He charged the industry is targeting a "vulnerable population."

"They are spending all this money on advertising featuring beautiful young women and handsome young men because they want us to believe that if you drink, that's what you're going to look like," he said. "But if we can pass this in New York, I think the whole nation will pay attention."

The Metropolitan Transportation Authority has "no position" on the legislation, spokesman Jeremy Soffin said. Alcohol accounts for $3 million to $5 million of the agency's total ad revenue of about $100 million a year.

Frank Coleman, spokesman for the Distilled Spirits Council in Washington, a lobbying group, argued, "Blanket bans are not effective."

Coleman said the booze industry has adopted an advertising code that is a "model of social responsibility."

But Ortiz's idea drew quick support from the state Office of Alcohol and Substance Abuse Services, with spokesman Joe Morrissey saying such a ban would be "consistent with our strategy of preventing alcoholism across the state."

The bill would even ban transit-ad pitches by alcohol makers aimed at getting people to refrain from drinking too much.

"We don't need Captain Morgan and Anheuser-Busch to tell us to drink responsibly," the assemblyman said.



**35.** **UND Bans Tobacco (North Dakota)
A tobacco ban is in effect at the University of North Dakota.**

*Associated Press*

October 6, 2007

Outdoor ashtrays were left out overnight so students, faculty members and visitors could take their last puffs before the ban took effect Friday.

The ban covers any kind of tobacco product. It affects buildings, grounds, parking lots and sidewalks that are "university-owned property not otherwise leased by outside entities," UND says. That leaves smokers with private homes, certain streets and sidewalks and the smoking zones outside Ralph Engelstad Arena.

Campus Police Chief Duane Czapiewski said officers do not plan to hand out tickets to anyone caught smoking. Warnings will be issued, and the names of repeat violators could be turned over to deans or department heads, he said.

The ban is aimed at education rather than punishment, UND President Charles Kupchella said. A detailed map of the banned zones will be posted on the university Web site, he said.

"Smoking is one of the leading causes of deaths that can be prevented," Kupchella said. "The purpose of the ban is to protect people from killing themselves and, of course, others, too."

Kupchella said he also hopes the ban will reduce health insurance costs by making employees healthier.

Kupchella announced the smoking ban last October at the opening ceremonies for the UND Wellness Center. Since that time, faculty, staff and student government groups have voted to support the ban.

The university will provide free smoking cessation classes, "quit kits" and other materials to help students, faculty and staff who want to stop smoking.

UND began prohibiting smoking inside its buildings in 1990 and its residence halls in 2003.

Bismarck State College, Minot State University, Jamestown College and Valley City State University have similar policies.

Nationwide, 88 colleges and universities were smoke-free indoors and outdoors as of Oct. 1, according to the American Nonsmokers' Rights Foundation.

BSC banned tobacco last year.

"No one has been fined so far, but I have given numerous warnings," Associate Vice President Mike Lenhardt said.

He said the campus environment has been healthier and cleaner since the ban.

"Some people smoke in their cars, which is not permissible, but we cannot catch that every time that happens," Lenhardt said. "Even though I see many cigarette butts in parking lots now, we don't see smoke blowing into people's faces in front of the doorways anymore."

Lenhardt said he doesn't see people smoking on campus that often.

"Either people stopped smoking or they are hiding well," he said. "I've seen students smoking, hiding behind power units and even trees, though. It's rather pathetic. When that happens, I give them warnings."

Surveys indicate the number of UND students who smoke has declined over the years, said Jane Croeker, the co-chairman of a task force formed last spring to work on the smoking ban.

"The daily smoking rate has gone from 10 percent to 5 percent," she said.

<http://www.bismarcktribune.com/articles/2007/10/06/news/state/140459.txt>

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**36. Tobacco Ads Paying off in Oregon (Oregon)
The millions of dollars that big tobacco companies are spending on advertisements aimed at convincing Oregonians to vote against a proposed cigarette tax hike appear to be paying off.**

*Associated Press*

October 02, 2007

Activists on both sides of the issue say the onslaught of TV and radio ads has gotten Oregonians to think twice about Measure 50, which would increase cigarette taxes to pay for health insurance for about 100,000 Oregon children currently without coverage.

'They have the ability, because of their money, to narrow what was an enormous advantage,' said Carol Butler, who is running the Healthy Kids Oregon campaign, which supports the measure.

Early polling showed the measure passing easily, a comfort for Democrats in the Oregon Legislature, who referred the proposal to this November's ballot and wrote the description of the measure that will appear in the voters' pamphlet.

But tobacco companies, including Altria Group (NYSE:MO) , the parent company of Philip Morris, and R.J. Reynolds, have collectively contributed about $4.5 million to fight the proposal, and more money could be forthcoming.

'If they do a last-minute dump of money in the last couple of weeks, we will want to compete,' said J.L. Wilson, a spokesman for Oregonians Against the Blank Check, one of the tobacco industry-funded groups behind the anti-tax campaign. 'My feeling is that this is not going to be a cakewalk. We weren't going to give this away for free.'

Right now, the tobacco companies have an ad in heavy rotation that questions the wisdom of making the tobacco tax a part of the Oregon Constitution. If voters approve the 84.5 cent per-pack rise in the state's cigarette tax, it would become the only tax permanently enshrined in the constitution.

The Democrat-controlled Legislature placed the tax on the Nov. 6 ballot as a constitutional amendment because it couldn't attract enough Republican votes to enact the tax outright, or even refer it to voters as a change in existing law.

Supporters of the tax, who are running their own ads, said they are not surprised that support for the tax has leveled off in the last few weeks.

Butler said the tobacco companies have already spend $1.5 million on television ads.

'It is impossible for that not to have an effect,' she said. 'People are going to see their ads, and it will cause conversation among voters.'

Supporters of the expanded health care coverage have raised almost $1.4 million, much of the money coming from hospitals and health insurance companies, and spent about $460,000 on television ad buys.

Portland pollster Mike Riley surveyed 406 voters about the measure in August. Though 64 percent of Democrats told Riley they would back the measure, just 47 percent of unaffiliated voters said they were on board, not statistically different from the 44 percent of Republicans who were planning to vote for the proposal. The poll had a margin of error of plus or minus 4.9 percent.

Overall, 53 percent of voters backed the children's health care expansion in the August poll, compared with 28 percent who said they would vote against it and 19 percent who said they hadn't made up their minds.

'It's much easier to defeat a measure than pass a measure,' Riley said. 'A ballot measure starting at 53 percent and trying to hold onto a majority will have a tough time.'

With less money, supporters of the tax for health care expansion have had to be strategic about how they spend their money. Opponents, by contrast, have blanketed the state, even sending active Democrats a letter billed as being from a Salem elementary school teacher arguing against the tax.

But Butler said her side would be casting a wider net in the weeks before the election.

'We knew we would be outspent very badly,' she said. 'We had to conserve our resources until a time that voters would be paying attention.'

The tobacco industry poured $60 million into a successful effort to persuade voters in California to vote down a tobacco tax increase last year.

<http://money.cnn.com/news/newsfeeds/articles/newstex/AFX-0013-19977718.htm>

**37.** **Senate Panel OKs Bill on Six-Pack Sales at Pa. Beer Distributors (Pennsylvania)
A state Senate committee on Wednesday approved a bill designed to give beer drinkers more options when they buy six-packs and wipe out one of the nation's most restrictive beer-sales laws.**

Marc Levy

*Associated Press*

October 4, 2007

The bill, which passed the Senate Law and Justice Committee on a 9-1 vote, must still receive approval from the full House and Senate.

Under the bill, beer distributors could sell quantities as small as a six-pack. Currently, the state's approximately 1,300 distributors must sell quantities of a case or more, the only law of its kind in the nation, according to Senate officials.

In addition, bars would be able to sell a maximum of three six-packs at a time, up from the maximum two six-packs they now can sell to one customer.

Senators say the bill is designed to satisfy consumers and help smaller brewers, although neither distributors nor bar owners support the bill.

"They all have their own little fiefdoms, they all want more and they don't want anybody to get anything else and we said, 'The heck with them,'" said Sen. John Rafferty, a Chester County Republican who chairs the committee.

The bill also would distribute about $5 million in aid to Pennsylvania breweries to help them upgrade their packaging equipment to adapt to the six-pack sales, Rafferty said.

Brewers including St. Louis-based giant Anheuser-Busch Cos. and Harrisburg-based Appalachian Brewing Co. said they support the change in Pennsylvania's beer sales law.

Francis X. O'Brien, a lawyer for the Pennsylvania Beer Wholesalers, said the bill could help increase beer sales in Pennsylvania by stanching "border bleed" - Pennsylvanians who go to a neighboring state to buy a six-pack of a microbrew that they can't buy at a distributor or bar in Pennsylvania.

"I wouldn't be surprised by an increase in the total volume of beer sold in Pennsylvania," O'Brien said.

Chris Trogner, who co-founded Troegs Brewing Co. in Harrisburg a decade ago, said he thinks the bill would give people a greater ability to try different beers.

"If it helps people try different things, it should help the smaller brewers out," Trogner said.

****http://www.centredaily.com/news/breaking\_news/story/223858.html

**38. Legislators Disagree on Fight Over Smoking (South Dakota)
Some state legislators say the question of banning smoking in bars and restaurants across South Dakota should be decided in a public vote.***Sioux City Journal*October 3, 2007

On Monday, an indoor smoking ban took effect in Minnesota, making it the 17th state in the country to ban tobacco in all bars and restaurants.

Jennifer Stalley of the South Dakota Tobacco-Free Kids Network said anti-smoking groups likely will push for the same thing in the South Dakota Legislature next year.

State Sen. Ed Olson, R-Mitchell, said he anticipates just such a bill, but he would prefer to leave the decision up to the citizens.

"I think it's something the general public needs to tell business and bar owners," Olson said. "I think the vote would be successful. I can't imagine it wouldn't be."

Rep. Gary Jerke, R-Tripp, said he would instead prefer that the Legislature give individual communities the right to decide where smoking can take place. By doing so, smaller communities, such as those with only one restaurant or bar, could make the decision on their own.

"I have a real problem telling people that they can't go into a local facility in their community," he said. "I think any legislation where you look at barring a business is going to be a tougher row to hoe."

Jerke said the Legislature shouldn't shy away from the issue.

"That's what they elect representatives for," said Jerke. "I would hope that the public would recognize that you can't bring every single thing to a vote of the people."

Rep. Kent Juhnke, R-Vivian, said he would not support a smoking ban in restaurants and bars because it is unnecessary government intrusion into private business.

"I do feel for the people that cannot find alternative employment and have to be subjected to (smoke), but it's a stretch for what government was intended to be, especially in South Dakota," he said. "I will not support (a ban) whatsoever."

Some lawmakers believe customers can have more of a say in the matter.

"If their clientele are offended by the smoking, I think they're the ones that need to talk to the owners and see what they can do," said Sen. Julie Bartling, D-Burke.

Rep. Mike Vehle, R-Mitchell, agrees.

"I think these establishments themselves have got to start looking at these issues and see if there are things that they can do to work with the people that are anti-smoking and see if there isn't something that they can work out," Vehle said. "Maybe they should be working with those folks to come up with a solution that doesn't really tear into what a lot of them feel will be their business."


<http://www.siouxcityjournal.com/articles/2007/10/04/news/south_dakota/e3c60acfc0fd6e3c8625736a000874c0.txt>

**39.** **Beer Monitored at Border (Tennessee)
Confiscations only during enforcement of cigarette tax for now**

Tom Humphrey

*Knox News*

October 8, 2007

While their search for contraband cigarettes continues, state Department of Revenue agents also are seizing beer brought into Tennessee to avoid one of the highest malt beverage taxes in the nation.

For now, state Revenue Commissioner Reagan Farr says the beer confiscation is incidental to tobacco tax enforcement, the focus of a "cigarette surveillance program" launched last month. But that could change.

"If, as part of our cigarette tax enforcement, we continue to see alcohol is also a major problem, we'll talk about addressing that," Farr said. "We are not now targeting beer-only purchases.

"But if someone purchasing cigarettes (out of state) has also purchased beer, we will confiscate it," he said.

Cigarette surveillance agents have seized as many as 10 cases of beer from Tennesseans who were stopped for running cigarettes across the state line, Farr said.

Agents monitoring sales of cigarettes at out-of-state stores near the border have observed a surprising amount of beer purchases by Tennesseans, the commissioner said.

"It is more of a problem than we thought," he said.

But Rich Foge, executive director of the Tennessee Malt Beverage Association, said he was not surprised. Tennessee beer taxes are so high, he said, that retail prices in border states often are lower than wholesale prices in Tennessee.

"We have the third-highest effective beer tax in the country," Foge said. "The problem of going across the border is huge. It's not just the consumer doing it, but there are retailers going across the border to stock up."

Beer consumption per capita in Tennessee is 34th in the nation, according to Beer Institute figures. Foge says that is partly because of cross-border sales and the high tax rate.

Foge said that ideally, beer distributors would like to see Tennessee taxes lowered. But, realizing that is unlikely, he said a program of stepped-up enforcement - as now being done with cigarette taxes - would be welcome.

He and Farr have discussed the cross-border sales problem, he said.

States tax beer in different ways, making precise comparisons difficult.

In Tennessee, there are two major taxes collected at the wholesale level. The state Department of Revenue gets $4.29 per barrel; then a tax of 17 percent of value is applied, with revenue earmarked for local governments where beer is sold at retail.

The state collected $17.9 million from the "barrellage tax" in 2006, while local governments collectively received more than $112 million from the 17 percent "wholesale tax," according to Department of Revenue data collected by the Malt Beverage Association.

The city of Knoxville got $6.18 million from the wholesale beer tax last year, while Knox County got $1.8 million, according to an association report.

At the retail level, beer also is subject to the state sales tax of 7 percent and local sales taxes that range up to 2.75 percent. The sales tax is levied on the retail price, which includes the barrellage tax and the wholesale tax, so the result is a tax on taxes, Foge said.

There's also an $18-per-barrel federal tax built into the price in all states.

In the case of the six-pack of domestic beer retailing at $5.19 in Tennessee, that price includes 33 cents of federal tax, 8 cents of state barrellage tax and 60 cents for the 17 percent wholesale tax, according to an example provided by beer distributors.

Adding a 9.25 percent sales tax - the 7 percent sales tax rate plus a local rate of 2.25 percent that applies in many jurisdictions - will add another 48 cents for a total cost to the consumer of $5.67. State and local taxes, in the example, total $1.49.

An imported beer retailing at $8.59 would incorporate 97 cents of the wholesale tax, 8 cents of the state barrellage tax and 33 cents of federal tax. State and local sales taxes would add 79 cents for a $9.38 total, according to the example provided. That includes $2.18 in taxes.

Stuart Wood, of Holston Distributing Co. in Johnson City, says Virginia taxes are one of the lowest in the nation and estimates that upper East Tennessee beer wholesalers such as himself may lose a million cases of beer in business each year to people crossing the line.

Virginia levies a somewhat higher barrel tax than Tennessee - $5.72 - but has no wholesale tax and lower sales tax rates. Also, Virginia law allows beer discounting practices not permitted in Tennessee, Wood said.

The result is that beer drinkers often can save about $3 a case by going to Virginia. There are 24 cans, or four six-packs, in a case.

Recently, Wood said, Virginia supermarkets were selling 24-can cases of one brand of beer for $11.99, which is slightly less than he pays at wholesale.

In 2003, Leonard H. Cutshall, a Greeneville storeowner, was sentenced to two years in prison for buying 200 cases of beer in Virginia and bringing them back into Tennessee for resale.

A spokeswoman for the Department of Revenue was unable to find any other instances of prosecution for violation of the state's beer tax laws in a brief review Friday.

State law dealing with bringing beer into the state is somewhat less strict than the law dealing with cigarettes. The statute provides that law enforcement officers may seize any untaxed beer but does not provide specific criminal penalties except for amounts of more than 100 cases, which is a felony.

The state law on cigarette taxes makes possession of more than two cartons of cigarettes without Tennessee tax stamps a misdemeanor and more than 25 cartons a felony. Further, the law provides that vehicles used to transport untaxed cigarettes may be confiscated. The beer law has no such specific provision.

Tennessee's cigarette tax was increased July 1 from 20 cents per pack to 62 cents per pack. The new 62-cent rate is higher than any of the eight states that border Tennessee. The old 20-cent rate was lower than all but two of the border states.

<http://www.knoxnews.com/news/2007/oct/08/beer-monitored-at-border/>

**40.** **Utah Police Step up Liquor-Law Arrests (Utah)**

**Liquor-law and drunken-driving arrests near the University of Utah more than doubled last year as campus police officers stepped up their patrols around the school.**

*Daily Herald*October 7, 2007

Newly released crime statistics show that campus police made 220 drunken-driving arrests in 2006, compared to 93 in 2005. Other liquor-related arrests such as disturbing the peace saw a similar increase last year.

Most of the arrests happened between 10 p.m. and 3 a.m., and more tickets were given on Friday and Saturday than the rest of the week, University of Utah Police Chief Scott Folsom said. Not all the arrests are students, Folsom said.

A large number of arrests for drunkenness and underage drinking happened at football games. Folsom estimated 20 to 40 people are nabbed at each game.

However, normal tailgaters shouldn't worry.

"If someone is tailgating and having a barbecue, we're not looking to see what's in their cooler," he said. "But if you're being combative, disturbing the peace or misbehaving, you can be arrested."

While Folsom and school administrators often discuss ways to keep the campus safe, the crackdown on drunken driving was Folsom's own initiative, school spokesman Remi Barron said.

<http://www.heraldextra.com/content/view/239562/4/>

**41.** **Adult gets Jail and Probation after Teen Dies from Alcohol Poisoning (Utah)**

**One of two adults charged in connection with a 17-year-old boy's death from alcohol poisoning was sentenced Friday to probation and 10 days in the Summit County jail.**

*Salt Lake Tribune*

October 6, 2007

Abram R. Kesnter, 20, did not supply the half-gallon of whiskey that killed Joseph Hunter on March 17, but he was the only adult present while he and three juvenile boys were drinking the liquor, according to prosecutors. Kenter pleaded guilty in 3rd District Juvenile Court to contributing to the delinquency of a minor and underage alcohol consumption, class B misdemeanors each punishable by up to six months in jail. Summit County Attorney David Brickey said Judge Mark May told Kenter he had an obligation as the only adult to make sure his younger brother - who was present that night - was not delinquent and to recognize that Hunter was drinking alcohol to excess. While on probation, Kenter must pay a $250 fine, attend a mental health program and write a letter of apology to the Hunter family. He is to have no association with minors, other than his siblings. The alleged supplier of the whiskey is Rita E. Palmer, 23, who worked at a toy store with one of the juveniles, Brickey said. Palmer is charged with supplying alcoholic beverages to a minor, a class A misdemeanor. She is scheduled to appear in juvenile court for a pretrial conference on Oct. 19. Palmer allegedly bought the liquor for the boy she worked with the afternoon of March 16. The dead boy was discovered by a Summit County sheriff's deputy

who spotted Kenter and two other boys putting Hunter into Kenter's car after Hunter collapsed at the Coalville rodeo grounds at about 12:30 a.m. on March 17. After ordering the others out of the car, the officer found Hunter unresponsive on the back seat, according to charging documents. He was later pronounced dead. Brickey said the two surviving juveniles were charged with being minors in possession of alcohol and spent time at detention centers varying from two days to a week.

<http://www.sltrib.com/news/ci_7101510>

**42.** **County Fights against Energy Drinks (UTAH)**

**County health officials are asking local parents to demand regulation for energy drinks, saying teens may be drinking alcohol under the nose of unsuspecting parents.**

*Daily Herald*

October 5, 2007

Health officials brought 18 cans of different energy drinks to a presentation sponsored by the Lehi Community Council on Thursday and spent an hour discussing what they called the "rising tidal wave" of problems the drinks are causing in Utah Valley.

Six of the drinks displayed Thursday had the same alcohol content as beer, and officials challenged the audience to try to tell which they were. The difference is almost impossible to tell, so much so that there has been a rash of citations given out in county sting operations to store clerks and managers who were selling the drinks to minors without knowing they contained alcohol, officials said.

Store clerks and managers have said the beer companies, which also sell non-alcoholic products, have been stocking the alcoholic drinks with regular energy drinks without informing store staff, county officials said.

"There is an environment of confusion, and these (drinks) are targeted to kids, said Becky Canning, of the Utah County Division of Substance Abuse Prevention.

Utah has no alcohol placement laws, and officials showed pictures, taken in Utah County stores, of energy drinks containing alcohol placed among energy drinks without alcohol on shelves. The packaging in both cases is very similar, they said.

Legally the drinks don't have to use the word alcohol on their packaging, officials said. They are only required to state, in small letters, that the drinks are a "malt beverage" containing "alc/vol" -- meaning alcohol by volume -- or "alc/wgt" meaning alcohol by weight. A recent survey conducted by the Utah County Health Department showed that a majority of parents did not recognize these terms to indicate the energy drinks contained alcohol.

The first energy drink, Red Bull, appeared in U.S. markets in the late 1990s, and energy drinks are now reducing the cola market and are a $5 billion a year industry, with about 9 million cans sold a day, health officials said. There are now more than 500 brands sold, some of which brazenly market themselves as legal or alternative buzz for teens.

Even without alcohol in them, the drinks contain large amounts of caffeine. Some brands are just beginning to print the amount on the cans, but even that is misleading, said Brian Alba, of the Utah County Division of Substance Abuse Prevention.

The drinks often contain a guarana, a natural ingredient 11 times more powerful than caffeine. Guarana is not regulated by the Federal Drug Administration, making it impossible to tell how much caffeine is really in energy drinks that contain it.

And drinks are not the only problem, he said. Caffeine and guarana are so lucrative they are now being marketed in water, soap, ice drinks for teens, gum, pills and strips dissolved on the tongue, all legal for adults and children to use.

In addition, some energy drinks use sexually suggestive advertising and slogans, and show what officials called "uncensored porn" on their Web sites.

The drinks are so strong that, when more than one is consumed, the results can mimic alcohol. A Lehi teen recently failed a field sobriety test after being pulled over for erratic driving. Police determined the teen had been drinking only Red Bull, Alba said.

"A police officer pulled over the car and gave a field sobriety test, and this individual failed it miserably," he said, noting that anecdotal evidence from around Utah Valley is beginning to show the problem may be wide-spread.

In another instance, a local school was having problems with a 9-year-old boy, only to discover the parents were giving the child two energy drinks a day, he said.

Teens and adults suffering from heart arrhythmia induced by energy drinks have begun to show up in local emergency rooms, he said.

"It is addictive, and there is an unhealthy crash and jolt cycle," he said. "It alters mood and affects performance, and it is a legal high."

At BYU, where alcohol is against school regulations, "these drinks are being used in drinking games," he said.

A teacher in Utah County driving students home from a trip recently bought a four-pack of "Tilt," an energy drink containing alcohol, not knowing it was essentially beer, Canning said. The teacher had to pull over, becoming sick after drinking two and a half of the cans.

"They are so similar to energy drinks, how do we tell the difference?" Canning said.

As teens become addicted to energy drinks and the affect is lessened, the drinks may lead to consumption of alcoholic energy drinks, and then to hard alcohol, and eventually to drugs, she said.

"What we are worried about is that maybe there is a transition, Canning said.

The companies marketing the drinks rely on the drug culture in advertising, she said. One non-alcoholic energy drink is flavored with blue agave, the prime favoring in tequila. Another is called a tall boy, a reference to a large stein of beer.

Parents must begin to demand that legislators make it illegal to put alcoholic and nonalcoholic energy drinks on the same shelves in stores, she said. The public must also demand labels that show how much caffeine is in an energy drink. The drinks should not be legal for small children, as they are now, and a warning of the health effects should be printed on the cans.

<http://www.heraldextra.com/content/view/239415/4/>



**43.** **Group Recommends Doubling Hard Core DUI Penalties (West Virginia)
Penalties for first-offense drunken driving should be doubled if the offender's blood alcohol level is above 0.15%.**

*Beverage News Daily*October 9, 2007

That’s the recommendation of a workgroup, which is studying the state's DUI laws. It also proposed reducing penalties for first-time offenders whose blood alcohol levels are below 0.15%. The legal limit in West Virginia is 0.08.

Workgroup members presented these and other proposals Monday to a legislative interim committee.

Nearly 60% of all DUI fatalities involve drivers with higher blood alcohol levels, said Donna Hawkins, director of the state chapter of Mothers Against Drunk Driving.

The workgroup proposed an aggravated DUI charge for blood alcohol levels exceeding 0.15. Penalties for a first offense would be a minimum two-day jail sentence and a minimum $200 fine, double the current minimums.

Drivers whose blood alcohol levels are below 0.15 would receive credit for time served after the arrest, instead of the current 24 hours in jail. The change would reduce counties' regional jail costs, workgroup members said.

The workgroup also proposed reducing from 30 days to 15 days the license revocation period for drivers who complete safety and treatment programs and install an interlock device on their vehicles.

Sen. Jon Blair Hunter (D) said DUI laws should emphasize treatment of alcohol addiction instead of incarceration.

**44. Whitewater House Party Busted**

**Friday night, police in Whitewater used an undercover operation to close an alleged speakeasy operating near the University of Wisconsin-Whitewater campus.**

George Mallet

*TodaysTmJ4 News*

October 11, 2007

Police say a youthful looking undercover officer was able to enter a party underway at 157 N. Prairie Street. Once inside, the officer witnessed underage drinking.

In addition, police say residents of the Prairie Street home were charging for drinks.

Police moved in and made 87 arrests, 81 of which were for underage drinking.

“I have a friend who was going to go, but when he saw five cop cars there, he turned around and went home,” Mary Knoll from Beloit said.

The six alleged operators of the speakeasy were charged with more serious offenses including selling alcohol without a license and providing alcohol to minors.

Because there were 81 guests at the party, each of the accused operators could face 81 counts of each offense. If convicted, their fines could exceed $80, 000 each.

**Whitewater students think the fines are to harsh.**

“Is it excessive? I mean we’re looking at $40,000 in fines. Yea, it’s excessive,” UW-Whitewater student Timmy Lea said.

While plea deals could make fines come down dramatically, the message is already getting out.

Whitewater police confirmed they are trying to get the word out that providing alcohol to minors can have serious and expensive consequences.

<http://www.todaystmj4.com/news/local/10330942.html>