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April 20, 2018

**APRIL IS ALCOHOL AWARENESS MONTH**

## JOP OPPORTUNITY

### Alcohol Policy and Legal Research Analyst

NABCA has an *immediate opening* for an **Alcohol Policy and Legal Research Analyst** to assist the Sr. VP, Public Policy/ Communications and the Sr. VP/General Counsel in providing research support for NABCA's regulatory policy, research, communications goals and legal affairs. The Alcohol Policy and Legal Research Analyst identifies and tracks new and emerging legislative, regulatory and legal issues, analyzes new and proposed regulations, and monitors external research and policy developments for NABCA.

No phone calls please; submit resume, cover letter and salary history to [hradmin@nabca.org](mailto:hradmin@nabca.org) by April 25, 2018.

For more details about the position, click [here](#).

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**APRIL 30–MAY 1, 2018**

**2018 RRForum National Conference** - hosted by the Michigan Liquor Control Commission and will be held in Detroit.

**MAY 21-24, 2018**

**REGISTRATION IS OPEN !**

**81st Annual Conference** will be held at the Arizona Biltmore, Phoenix, AZ.  
**Theme: Bridging Divides;** For more information, visit [www.nabca.com](http://www.nabca.com) website.

**JUNE 3-5, 2018**

**2<sup>ND</sup> Annual Beverage Alcohol Retailers Conference** - Denver, Colorado  
Registration is open and sponsorship information is available at [www.BevRetailersConference.com](http://www.BevRetailersConference.com).

Secure your early bird rate before prices increase on February 9.  
Seating is limited.

**JULY 18-20, 2018****8<sup>th</sup> Biennial Northwest Alcohol & Substance Abuse Conference**

Riverside Hotel, Boise Idaho

The Pre-Conference Sessions are on Wednesday. The official conference kicks off Thursday morning. Visit [NorthwestAlcoholConference.org](http://NorthwestAlcoholConference.org) for more information.

**NABCA HIGHLIGHTS**

**New! The Public Health Considerations of Fetal Alcohol Spectrum Disorders (Whitepaper)**

**Native American Nations & State Alcohol Policies: An Analysis**

**Alcohol Technology in the World of Tomorrow - (White Paper)**

**The Control State Agency Info Sheets.** Please view website for more information.

**NABCA Survey Database** (members only)

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## CONTROL STATE NEWS

### Montgomery Co., MD: County Employee Union Passes Over Three Incumbent State Legislators in Latest Endorsements (Excerpt)

*MCGEO president cites differences over future of county liquor system in outlining decisions*

Bethesda Magazine

By Louis Peck

April 19, 2018

Another large local union unveiled its endorsements for the Maryland General Assembly late Wednesday—and while it is supporting most of the incumbents seeking another term in the Montgomery County’s legislative delegation, it pointedly passed over three current state legislators running for re-election.

UFCW Local 1994 MCGEO—which represents a majority of the county government’s 9,000-member workforce—declined to endorse state Sen. Cheryl Kagan of Rockville and Dels. Kathleen Dumais and Kirill Reznik of Germantown. In a telephone interview late Wednesday, MCGEO’s president, Gino Renne, acknowledged the three legislators’ positions in the ongoing debate over privatizing the county’s Department of Liquor Control (DLC)—whose approximately 350 workers are represented by MCGEO—had played a key role in the decision.

“They have not earned our support or endorsement,” Renne declared. Alluding to Dumais’ and Reznik’s sponsorship of a 2016 bill that would have authorized a referendum on whether to allow private alcoholic beverage distributors to compete with the DLC, Renne added: “In my opinion, Kirill Reznik and Kathleen Dumais have been hostile toward our union in terms of their position on the liquor control bill.”

The legislation—whose chief sponsor, Del. Bill Frick of Bethesda, is now a candidate for the Democratic nomination for county executive—failed to advance in the 2016 session of the General Assembly and has not been reintroduced since.

MCGEO did endorse 19 other Montgomery County incumbent legislators—five state senators and 14 members of the House of Delegates—whose names will appear on the June 26 primary ballot. In addition, the union announced its backing Wednesday for five non-incumbent candidates who are vying for open delegate seats in districts where the incumbents are retiring or leaving to seek other office.

Included in this group are political consultant Hamza Khan of Bethesda in District 15; Samir Paul, another Bethesda resident who is a teacher at Montgomery Blair High School in Silver Spring, in District 16; attorney Julian Haffner of Gaithersburg in District 17; and Emily Shetty of Kensington, currently vice chair of the Montgomery County Democratic Central Committee, and former congressional aide Jared Solomon of Chevy Chase in District 18.

MCGEO had previously endorsed three other non-incumbent candidates for delegate: Marlin Jenkins of Silver Spring, a labor attorney with the American Federation of Government Employees, in District 19; Lorig Charkoudian of Takoma Park, director of a statewide group that promotes community mediation, in District 20; and Gabriel Acevero of Montgomery Village, a member of MCGEO’s organizing staff, in District 39.

Renne contended that, for MCGEO, the liquor control issue went beyond the prospect of “350 families that would be devastated by privatizing that operation” to encompass the question of how to make up the more than \$30 million in net revenue that the DLC contributes annually to county government operations.

“They’re very callous in responding to that by suggesting ‘Well, the county can just make it up somewhere else,’” Renne charged, in comments aimed at Dumais and Reznik. “That’s not reality. The projections suggest we’re going to be in a deficit situation for at least the next two to three years, and that’s after significant tax increases.”

Dumais has had a bumpy relationship with MCGEO that predates the 2016 debate over liquor control legislation. Dumais was not endorsed by MCGEO four years ago; she took public issue at that time when she also was not endorsed by the Maryland/D.C. council of the AFL-CIO—to which MCGEO has close ties.

That dustup came a year after Dumais attended the county Democratic Party's 2013 spring ball, which was boycotted by MCGEO and other unions in protest over the county Democratic organization's position in favor of doing away with so-called "effects bargaining." Before that event, Dumais wrote a sharply worded letter to her state legislative colleagues, decrying labor's boycott tactics and its picketing of the event as "a clear case of cutting off one's nose to spite one's face."

MCGEO also did not endorse Kagan in 2014, instead backing then-Del. Luiz Simmons in a bitter Democratic primary between the two for the seat long held by former state Sen. Jennie Forehand. Kagan faces no primary opposition this year, and is a strong favorite to be re-elected in November over a late-filing Republican opponent.

Unlike Dumais and Reznik, Kagan was not a sponsor of the 2016 legislation authored by Frick. But Renne acknowledged that differences between Kagan and his union go back to the 1990s when, during an earlier stint in the House of Delegates, Kagan supported an abortive plan by then-County Executive Doug Duncan to privatize the county-owned liquor stores.

"It goes back to that, and she hasn't taken any steps whatsoever to redeem herself with the labor movement," Renne declared. "Kagan, when it comes to labor ... is very aloof and doesn't make any attempts whatsoever to be supportive of initiatives critical not just to union members but working families in general."

Kagan could not immediately be reached for comment.

While passing over Kagan, MCGEO did give its endorsements to two legislators who were among co-sponsors of the 2016 legislation to open the way to privatization of the county's liquor system: Sens. Brian Feldman of Potomac and Nancy King of Montgomery Village.

"In terms of Nancy King, we've had very candid conversations about her position. I believe that she has since evolved on that issue. The same with Brian Feldman," Renne said. "They've evolved on that issue because they better understand and appreciate the totality of the negative impact of doing that."

"But, more importantly, they have individually and collectively played significant roles in supporting our issues and other important labor initiatives in Annapolis," he added.

King, currently the chair of the Montgomery County Senate delegation, is reported to be in the running for a powerful post in Annapolis next year: chairmanship of the Budget and Taxation Committee. The current committee chair, Sen. Edward Kasemeyer of Howard County, is retiring, and the current vice chair, District 18 Sen. Richard Madaleno of Kensington, is leaving the legislature to pursue the Democratic gubernatorial nomination.

King has no Democratic primary opponent on June 26, while Feldman is strongly favored to win renomination over businessman Hongjun Xin of Potomac.

In addition to Feldman and King, MCGEO on Wednesday endorsed three other incumbent Democratic senators from Montgomery County districts: District 14 Sen. Craig Zucker of Brookeville, District 16 Sen. Susan Lee of Bethesda and District 20 Sen. Will Smith of Silver Spring. All three are running unopposed in the primary.

MCGEO had previously endorsed Del. Jeff Waldstreicher, who is running for Madaleno's Senate seat in a hotly contested, three-way primary against activist Dana Beyer of Chevy Chase and business owner Michelle Carhart of North Bethesda. It also previously announced its support of Del. Ben Kramer of Derwood, running unopposed in the Democratic primary for the seat of state Sen. Roger Manno. The latter is seeking the open District 6 congressional seat now held by U.S. Rep. John Delaney.

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## IA: Iowa Alcoholic Beverages Division Increasing Trade Practices Enforcement

News Release

By the Iowa Alcoholic Beverages Division

April 19, 2018

(ANKENY) – The Iowa Alcoholic Beverages Division (Division) today announced the hiring of a new investigator whose duties will focus solely on trade practices enforcement.

“Strong trade practice regulations are the cornerstone of the three-tier system,” said Division Administrator Stephen Larson. “We are committed to ensuring that interactions between industry members and retailers in Iowa are being conducted in a fair and legal manner.”

The addition of the new investigator is part of a broader initiative by Larson to reactivate the Division’s regulatory compliance program, which had been dormant for a number of years prior to his appointment.

“One of my top priorities since becoming administrator has been increasing the Division’s regulatory footprint in the state of Iowa,” Larson said. “It is imperative that we strive to create a fair and level playing field for our licensees and permittees through a strong regulatory compliance program and active enforcement of alcoholic beverages laws, rules and regulations.”

“An immediate focus of the new investigator will be on validating the legality of discounts offered by industry members to retailers for purchases of designated quantities of alcoholic beverages,” stated Josh Happe, the Division’s Regulatory Compliance Bureau Chief. The Division will also be exploring opportunities to partner with the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) to conduct joint trade practices investigations in the future.

The Division’s Regulatory Compliance Bureau consists of 21 positions across six units – Licensing, Compliance, Administrative Actions, Education and Outreach, Tobacco and Administrative Support. The addition of the new investigator brings the total number of full-time alcohol investigators to four.

## LICENSED STATE NEWS

### GA: Brookhaven target of federal lawsuit alleging discrimination against Buford Highway nightclubs

Reporter Newspapers

Posted by Dyana Bagby

April 19, 2018

A federal civil rights lawsuit alleges the city of Brookhaven is targeting African-American clubs to put them out of business through the recent overhaul of its alcohol ordinance that now requires certain venues pay \$100,000 in alcohol license fees and not sell booze on Sundays.

The city states it was forced to create a new category of “entertainment venue” and raise its alcohol license fees because of recorded instances of rising crime rates along Buford Highway caused by certain late-night venues and denies any racial profiling.

“To stem what it perceives as an influx of ‘hip hop’ restaurants, the city of Brookhaven has adopted and enforced a set of confusing, content-based ordinances that it believes will cripple the city’s restaurants which cater to African Americans,” begins the lawsuit filed April 13 in U.S. District Court by attorney Cary Wiggins on behalf of his clients Josephine’s, Medusa Restaurant & Lounge and XS Restaurant & Lounge.

The plaintiffs are asking the court to order the city to issue their alcohol licenses and are also seeking damages and attorneys’ fees, saying the exorbitant fees violate state law.

Brookhaven Communications Director Burke Brennan said the city police department is not profiling businesses based on race.

“Brookhaven police do not engage in racial profiling of any sort. To the contrary, the department is renowned for its outreach in minority communities,” he said.

“While we cannot comment on the specifics of pending litigation, in September 2017, the Brookhaven City Council amended its alcohol ordinance to structure fees based upon the utilization of police resources,” Brennan added. “Under the new fee structure, Brookhaven residents are providing less of a subsidy for police to an area around a handful of entertainment venues which have a disproportionate amount of criminal activity.”

All venues in the lawsuit are located at Northeast Plaza on Buford Highway and all are also battling the Alcohol Board's recent decisions to not renew their alcohol licenses for refusing to pay the full \$100,000 in fees as they appeal the amount in DeKalb County Superior Court. The venues remain open and able to sell alcohol during the appeals process.

Entertainment venues — those with a DJ, dance floor or stage — are also not allowed to sell alcohol on Sundays, however, which is typically a busy night for venues open only during the weekends.

"Although many restaurants located in the city offer prerecorded ambient music, restaurants in the city which cater to African American customers frequently employ a turntablist (or deejay) or sound engineer to selected and play prerecorded music, frequently hip hop. Sundays are traditionally the busiest days for these restaurants," according to the lawsuit.

The city says the steep fee stems from concerns about crime it says it related to Buford Highway nightlife. In the latest example, on April 9, champion boxer Floyd Mayweather's bodyguard was shot and injured in front of a Buckhead hotel after Mayweather hosted a party at Medusa.

The city also cites a shooting last year in the Northeast Plaza parking lot following an altercation at Medusa. That shooting eventually led to the arrest of several alleged gang members by the United States Attorney's Office for the Northern District of Georgia. The city tried to revoke Medusa's alcohol license, but the Alcohol Board overruled that decision.

"While we cannot comment on the specifics of pending litigation, in September 2017, the Brookhaven City Council amended its alcohol ordinance to structure fees based upon the utilization of police resources," Brennan said. "Under the new fee structure, Brookhaven residents are providing less of a subsidy for police to an area around a handful of entertainment venues which have a disproportionate amount of criminal activity."

Before this year, alcohol license fees for these venues were approximately \$5,000. The City Council also approved as part of its alcohol ordinance rewrite to roll back last call hours from 3 a.m. to 2 a.m. as another way to try to curb crime they say is the result of late-night venues. The earlier last calls went into effect April 10.

The federal lawsuit notes the licensee for Josephine's was born in Cameroon, Africa, and is a naturalized citizen. The licensees for Medusa and XS Restaurant & Lounge were born in Ethiopia and are also naturalized citizens. Each club caters to a primarily African and African-American crowds and were treated differently than clubs in the city that catered to a majority white crowd, according to the lawsuit.

The lawsuit alleges the venues were subjected to consistent police inspections and bans on music and dancing. It also alleges the city "assembled officials from DeKalb County police and fire departments, as well as city police, code enforcement, building and fire personnel, to inspect the restaurants with greater frequency than other alcohol licensed establishments."

Wiggins is also representing Sheba Ethiopian Restaurant in unincorporated DeKalb County in a federal racial bias lawsuit alleging the county targeted the Ethiopian restaurant through enforcement crackdowns of minor infractions.

"The city's actions have deprived, and will continue to deprive, the restaurants of property rights and liberty interests protected by the Equal Protection Clause of the 14th Amendment to the U.S. Constitution and corresponding provisions of the Georgia Constitution," the lawsuit says.

Brennan said city police and code enforcement have conducted unannounced inspections of many other alcohol license holders.

"There are several which may be cited for alcohol license violations once the investigations are complete," he said.

City officials explained in hearings before the Alcohol Board that they came up with the \$100,000 amount based on the \$225,000 annual legal settlement the city reached in 2014 with the Pink Pony, a strip club that serves alcohol. As part of that settlement, the Pink Pony agreed to pay the police department \$225,000 a year for six

years to cover public safety costs, reimburse the city for its legal fees, donate land near the club along Peachtree Creek for the Peachtree Creek Greenway linear park, and contribute up to \$75,000 for that park. The club is expected to close in Brookhaven in 2020.

The lawsuit points out that the Pink Pony is not affected by the alcohol ordinance rewrite and remains open until 4 a.m. and also open on Sundays, which it deems an unfair enforcement of the alcohol ordinance. The city states it is following a settlement agreement made four years ago.

"The Pink Pony operates under the terms and conditions of a settlement agreement approved by City Council in 2014. It should be noted that under that settlement, this establishment remits a quarter million a year to Brookhaven to operate," Brennan said.

Rush Lounge, on Buford Highway and represented by attorney Alan Begner, has also appealed the Alcohol Board's denial of its alcohol license renewal, stating the \$100,000 fee is illegal. That venue is not part of the federal lawsuit.

The city charges a \$4,000 fee to sell liquor on premises for restaurants, dinner theaters and event venues. The charge to these categories to sell wine or beer is approximately \$1,000.

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## MN: Alcohol use among Minnesota students dropped since 2001, according to analysis

Grand Forks Herald

By John Lundy

April 19, 2018

ST. PAUL—The perception that most high school kids drink alcoholic beverages isn't true, the Minnesota Department of Health reports. And it's less true now — much less true — than it was at the beginning of the century.

"Youth drinking has consequences. It's associated with troubles later in life and a host of bad outcomes in high school, such as mental health troubles, fights, risky sexual behavior and poor academic achievement," state Health Commissioner Jan Malcolm said on Thursday, April 19, in a news release prompted by the release of a health department analysis of the latest data on teen drinking in the state.

"It's important that kids know that contrary to public belief, a majority of high school students don't drink alcohol."

For example, among Minnesota's ninth-graders:

- The percentage of students reporting current alcohol use dropped from 30.4 in 2001 to 11.2 in 2016.
- The percentage of students who said they started drinking before age 13 dropped from 19.8 in 2007 to 12.3 in 2016.
- The percentage of students who admitted to binge drinking dropped from 6.9 in 2013 to 4.4 in 2016.

The analysis was drawn from the 2016 Minnesota Student Survey, which surveyed students in fifth, eighth, ninth and 11th grades.

Minnesota has a lower youth drinking rate than the nation and surrounding states, according to the health department's analysis. But some students are more at risk than others for drinking alcohol as teens, it said.

For example, white and Hispanic students have higher alcohol use rates than African Americans and Asians, and Native Americans have higher rates still. Students with "protective factors," such as an adult to talk to and the absence of childhood trauma, were significantly less likely to report problem drinking.

It also shows a relationship between teen drinking and mental health issues.

Thirty-eight percent of students who began drinking before age 13 said they had considered suicide, compared with 19 percent who waited until at least that age to start. Also, 41 percent of teens who admitted binge drinking within the previous 30 days had considered suicide, compared with 18 percent of those who hadn't engaged in binge drinking.

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## LA: New Orleans City Council revises alcohol licensing ordinance after Head blasts current system

The Advocate

By Jeff Adelson

April 19, 2018

Alcohol licensing and enforcement in New Orleans will be handled by the city's Department of Safety and Permits, the City Council decided Thursday on a 4-3 vote, following a surprisingly fiery debate in which Councilwoman Stacy Head said she has asked the FBI to investigate the way the city has been handling such licenses.

The proposal to move alcohol licensing out of the Department of Finance started out months ago as a far more controversial measure, but it was whittled down to what was expected to be a relatively benign alteration aimed at speeding up the permitting process.

But the ordinance sparked a heated exchange between Head, who sponsored the measure, and the city employee who now oversees alcohol permitting about the efficiency of his department. And by the end, the ordinance barely mustered the four votes needed to pass, with council members Jared Brossett, James Gray and Nadine Ramsey voting against it.

The change is a relatively straightforward one. The tasks of licensing and regulating businesses with alcohol permits will be shifted from the Department of Finance to the Department of Safety and Permits.

Head and Landrieu administration officials said the change will make it easier and faster for businesses to apply for the permits, since the process will be integrated with the city's One Stop office and website that already handle almost all of the city's permitting and licensing.

The change will also allow officials, businesses and the general public to view the status of alcohol permit applications on the city's website. At present, that information is unavailable because of incompatibility between the software used by the two city departments.

"This will simplify and streamline the process so that small or new businesses that don't have lawyers can move through this process more easily," Head said.

That's the same position taken by Mayor Mitch Landrieu's office and by officials with the Department of Safety and Permits.

During the hearing, however, city alcoholic beverage permit manager Edward Stallworth said that even though the outgoing administration had told him not to push back against the change, he was opposed to moving the responsibility out of his department. Businesses will still need to deal with the Department of Finance on other licensing issues, such as video poker machines, he noted.

Head responded with a long attack on Stallworth's department in which she accused him of inefficiency in handling permits and incompetence in collecting tax revenue from businesses that sell alcohol. Head said the problems with tax collection are so bad that she's referred the matter to the FBI.

"Either you all are absolutely incompetent or corrupt," Head said.

"Just because you speak words doesn't make them true," Stallworth replied.

An extended back-and-forth ensued among Head, Stallworth and officials in the Department of Safety and Permits, focused on whether the move will result in any greater efficiency and whose fault it was that the Department of Finance's software can't interact with that of the Department of Safety and Permits.



That led Gray to question whether the issue before the council was increasing the efficiency of a process or judging the competence of some employees.

The ordinance passed Thursday started out as a much broader and even more divisive proposal.

The original version, which was crafted by the Landrieu administration, included not just changes to the permitting process but also a requirement that the 1,500 businesses that sell alcohol in New Orleans — including bars, restaurants and grocery stores — all must install exterior video cameras that would be tied into the city's real-time surveillance system. The original ordinance also included changes to how complaints against bars would be handled that could have made it easier to shut them down.

But those provisions faced strong opposition from the Music and Culture Coalition of New Orleans, the American Civil Liberties Union of Louisiana and other groups who opposed the expansion of the surveillance system. Those parts of the ordinance were dropped before the proposal came up for a vote.

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### MO: Liquor delivery Bill Passes

Columbia Missourian

By Suman Naishadham, Kaylin Burris and Brendan Crowley

April 19, 2018

The House passed a bill allowing employees over age 18 to unload and transfer liquor from a delivery vehicle into a store. These transfers could only occur under the supervision of a delivery vehicle driver age 21 or older.

Currently, employees must be at least 21 years old to perform this task.

The bill also adds powdered alcohol to the definition of intoxicating liquor in state liquor control laws.

## INTERNATIONAL NEWS

### Canada: Supreme Court upholds interprovincial trade law in cross-border alcohol case

The Globe and Mail

By Sean Fine, Justice Writer

April 19, 2018

Canada has no constitutional guarantee of free trade between provinces, the Supreme Court has ruled in upholding a fine against a New Brunswicker who brought alcoholic beverages from Quebec into his home province.

Gérard Comeau was fined \$292 after the RCMP caught him six years ago with 14 cases of beer and three bottles of spirits from Quebec. (Mounties on the Quebec side followed him back to the Restigouche River and radioed ahead to their colleagues on the other side as he crossed a bridge.) The province has a limit of 12 pints of beer or one bottle of liquor purchased outside its borders.

When he successfully fought the fine in New Brunswick Provincial Court, the case became about much more than beer. It had potential consequences for the flow of all manner of goods, from eggs to chicken and soon, to marijuana.

But the Supreme Court of Canada ruled unanimously on Thursday that New Brunswick was within its rights to fine Mr. Comeau. The case turned on Section 121 of the 1867 Constitution, which says goods must be "admitted free" as they move from one province to another. The court said the term, although ambiguous, should be interpreted in light of the principle of federalism, which allows regional diversity and local concerns to be reflected within a single nation.

“The federalism principle supports the view that provinces within a federal state should be allowed leeway to manage the passage of goods while legislating to address particular conditions and priorities within their borders.”

The ruling was authored by “The Court” – a signature used in major cases to lend a ruling more weight.

The court said the provinces cannot set out to impose trade barriers on the flow of goods. But as long as the provinces are regulating goods for a different purpose – as in Nunavut and the Northwest Territories, which control the flow of liquor from elsewhere for public-health reasons – the side-effects on trade must be allowed.

Chart: Cost of 12 bottle pack of Molson Canadian across Canada

New Brunswick said its purpose is to manage the supply of liquor in the province, not to set up trade barriers.

The ruling was quickly seized on in the dispute between Alberta and British Columbia over a pipeline expansion, with B.C. saying a proposed Alberta law that would restrict the flow of oil out of the province would be struck down by the Supreme Court as a barrier to the flow of goods.

In Ottawa, the Conservative Party called on Prime Minister Justin Trudeau to do more to reduce interprovincial trade barriers, citing a Senate study that put their cost at more than \$50-billion a year. The Prime Minister said in London that the government will look at the decision, but that it has made progress with an internal free-trade agreement last year.

Ian Blue, a lawyer representing Mr. Comeau, said the judges shrank from doing their constitutional duty. “I thought the Supreme Court would have a little more courage than they showed,” he said in an interview. “We consider it a political decision to favour the status quo.” By that, he meant that the court “bought into the broader provincial rights paradigm that we live in nowadays.”

Chart: Price index of 12 bottle pack of Molson Canadian across Canada

Others cheered. Rob Cunningham, senior policy analyst with the Canadian Cancer Society, which intervened in the case, said a decision in favour of Mr. Comeau could have affected public health by allowing people to get cigarettes from provinces such as Quebec that have lower tobacco taxes. “Had the decision gone the other way, it would have opened the floodgates for interprovincial cigarette smuggling,” he said.

Provincial regulations on the sales of cannabis, once possession is legalized this summer, would be easy to evade if the provinces could not set the rules within their borders, he said. “It would have been a race to the bottom for health, safety and environmental standards.”

A New Brunswick judge who heard expert evidence from a single historian ruled that Canada’s founding fathers intended to allow internal trade to be completely free. But the Supreme Court said the judge substituted an expert’s opinion for nearly a century of appellate court rulings.

Paul Bates, a lawyer who represented the Consumers Council of Canada, which intervened in the case, called the decision a “classic Canadian compromise.”

“We don’t live in a land of constitutional absolutes. We live in a land of compromises and reconciliation.”

He said the decision is good for consumers, who will be able to benefit from the protections of provincial laws, such as those that prohibit hazardous products that may be found in other jurisdictions.

But Alexandre Moreau, a public policy analyst with the Montreal Economic Institute, was disappointed. “It’s a big win for government monopolies, but it’s a guaranteed loss for 37 million Canadians.”

He cited the trucking industry: Provincial regulations on such things as tire size and the number of hours a driver may be at the wheel cause some firms to send their vehicles through the United States on trips between Canadian destinations. Or just to trade with U.S. states.

New Brunswick Provincial Court Justice Ronald LeBlanc had upended a 1921 ruling by the Supreme Court of Canada establishing that while customs duties are not allowed, other trade barriers are. Usually, lower-court judges have to follow Supreme Court precedents. But Justice LeBlanc cited the Supreme Court’s 2013 ruling on prostitution laws, which established that when the facts and circumstances of a case change, lower-court judges can overturn rulings of higher courts.

In the Comeau case, however, the Supreme Court said all that had changed was that an expert had testified with a different view of Canadian history. If lower-court judges were allowed to overturn precedents for that reason, Canadian law would become chaotic, it said.

The Comeau case was the last to be heard by Beverley McLachlin before she retired as chief justice in December. She participated in the ruling.

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### Australia: Alcohol advertisers meeting new ABAC rules

The Shout

By Andy Young

April 20, 2018

The Alcohol Beverages Advertising Code (ABAC) has published its first quarterly report of the year, which highlights that there have been no breaches of the new placement rules introduced last year.

The stronger restrictions on alcohol marketers were introduced in November last year and they further strengthened ABAC's Content requirements to cover the placement of advertisements. Specifically, the new rules include mandatory age gating, a minimum 75 per cent adult audience share, banning advertising in programs or content primarily aimed at minors and banning electronic mail advertising to minors.

ABAC Chair, The Hon Alan Ferguson, said that he was happy to see alcohol advertisers were adhering to and respecting the new code.

"It is pleasing to see that alcohol marketers are meeting our recently introduced marketing placement restrictions," he said.

"The new restrictions came into effect on 1 November 2017 to ensure alcohol marketing does not target under 18-year-olds.

"Since the new provisions were established, a number of complaints have been made and considered by the ABAC Complaints Panel, headed by Chief Adjudicator Professor the Hon Michael Lavarch AO.

"These relate to alcohol marketing placed in a variety of media and, in all cases, the marketers met the restrictions, with only two 'no fault' Placement breaches due to the incorrect coding of content by the provider of an app/online game and an Instagram technical failure, resulting in an alcohol ad appearing in an under 18's Instagram newsfeed. Importantly, action was taken by both the marketers and the media platforms to avoid a recurrence."

Speaking regarding ABAC's quarterly update, Mr Ferguson said that there had been a small number of content complaints upheld and that the offending adverts had subsequently been involved.

"As for Content complaints, three advertisements were found to have breached the Code and all have subsequently been withdrawn from the marketplace," he said.

"A Heineken 3 Instagram post demonstrated how alcohol marketing cannot show alcohol as causing or contributing to the achievement of personal, social or sexual success.

"A Liquorland Spotify advertisement breached the standard requiring no suggestion that alcohol may create or contribute to a significant change in mood, offer a therapeutic benefit or be a necessary aid to relaxation.

"An in-store promotion for Moon Dog Brewery was found to have strong or evident appeal to under 18s." Mr Ferguson said.

The report comes a week after ABAC's annual report and review of its 2017 operations.

Mr Ferguson said: "2017 was an exciting year for ABAC with its standards for the content of alcohol marketing extended to also regulate where alcohol marketing can be placed.

“The new restrictions came into effect on 1 November 2017 to ensure alcohol marketing does not target under 18 year olds.

“We were also pleased to see that research on community expectations for alcohol marketing released in 2017 shows that community concerns about alcohol marketing are addressed within the ABAC Code standards and ABAC Panel decisions are generally more conservative than the community.”

The Scheme’s pre-vetting service checks alcohol ads prior to publication, with 1453 requests during 2017, and its complaints process assesses public complaints about alcohol marketing.

The report showed that the ABAC Adjudication Panel made 43 determinations relating to complaints received in 2017, with seven upheld and 36 dismissed. All marketing materials for upheld complaints were removed.

Mr Ferguson thanked members of the public for registering their concerns and he encouraged people to continue to do so. As well Mr Ferguson complimented the companies involved for their co-operation and their timely compliance with the complaints process and removal of offending material where required.

Read more about: [ABAC, Alcohol Beverages Advertising Code](#)

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## China: Medicinal Liquor Scandal Draws Government Investigation

Caixin Global

By Cui Xiankang and Teng Jing Xuan

April 20, 2018

Local governments in China are cracking down on alleged false advertising by Hongmao Pharmaceutical Co. Ltd. following public anger over the arrest of a doctor who criticized the company’s “medicinal” liquor.

Guangdong province’s food and drug authority said Thursday that it was investigating advertisements for Hongmao Medicinal Liquor, a 67-ingredient blend widely touted by its manufacturer as a cure-all.

Meanwhile, authorities in Inner Mongolia are also inspecting the headquarters of Hongmao Pharmaceutical in Liangcheng, a county in the south of the autonomous region, and have demanded that the company explain to the public why it has been penalized by multiple local governments in the past five years for false advertising and adverse reactions to its product, according to an announcement published by the official Xinhua News Agency.

The announcements follow calls for greater accountability from Hongmao Pharmaceutical by China’s central public security and drug authorities after the arrest and detention of Guangzhou-based doctor Tan Qindong, who called Hongmao Medicinal Wine “poison from heaven” in a blog post.

In December, Tan warned against the consumption of alcohol by elderly people, and said that some of the ingredients in Hongmao Medicinal Wine were known to be toxic. Tan was then arrested in his Guangzhou home in January, and transported across the country where he was kept in a Liangcheng detention center for nearly 100 days. Then, last week, news of his detention emerged, sparking outrage from social media users and state media alike over what appeared to be an abuse of power by Inner Mongolia authorities. Tan has since been released on bail and is currently awaiting trial.

Hongmao Pharmaceutical’s rise to national prominence began in 2006, when well-known marketing “miracle worker” and businessman Bao Hongsheng bought the small Liangcheng company. Bao had a history of turning alternative remedies into big businesses, and was the force behind other popular Chinese products like Meifule Slimming Tea and Hushenbao, a supplement for improving kidney health.

After Bao took over Hongmao Pharmaceutical, the company began aggressively expanding its advertising campaigns, capitalizing on the health concerns of China’s aging population by promoting its product as a solution for everything from heart disease to rheumatism. Hongmao Pharmaceutical overtook Procter & Gamble as China’s biggest advertiser by advertising budget in 2016, spending 15 billion yuan that year, according to figures compiled by state broadcaster CCTV’s market-research arm.

Meanwhile, the company's sales revenue grew significantly, jumping 51% from 2015 to 2016, according to official Liangcheng county data. Hongmao Medicinal Wine is sold in over 300 cities across China, and 18 million bottles of the liquor were sold in 2017, according to government figures.

Even as the company drew in health-conscious customers, it was attracting numerous complaints from local governments for exaggerating and falsely advertising its product's efficacy. Hongmao Pharmaceutical was charged with over 2,600 advertising regulation violations across 25 provinces and regions, according to a report by a health publication owned by the official People's Daily. Caixin found that Hongmao had even been forced to suspend sales in some areas, including Central China's Hubei province, which asked that the company pull its liquor from shelves twice in 2009 alone.

Despite official and public censure, the company has continued to be celebrated, especially by local authorities in Inner Mongolia, who named its product an example of the autonomous region's "intangible heritage" in 2009. More recently, in both 2017 and 2018 Hongmao Liquor was selected to be part of CCTV's "National Brand Strategy" to promote national brands that "can represent China's participation in global commercial competition and cultural exchange."

## INDUSTRY NEWS

### Schumer pushes for grape research funds

*Federal money would help Finger Lakes, state wine industry.*

Daily Messenger

By Messenger Post Media

April 19, 2018

GENEVA — U.S. Senate Minority Leader Charles E. Schumer, D-New York, is urging the Department of Agriculture's Agriculture Research Service to provide a robust investment in new equipment for the Grape Genetics Research Unit in Geneva.

Schumer said in a press statement that upgrades to the unit's technology are necessary to ensure researchers have the state-of-the-art tools needed to respond to the research needs of a rapidly changing grape and wine industry. Specifically, Schumer said researchers at the laboratory need new sensing equipment and increased computing capacity so they are better equipped to help growers with the development of new, innovative strategies to transform the grape and wine industries and spur production across New York.

The grape industry drives incredible growth in New York, providing \$4.8 billion in economic benefits and supporting thousands of good-paying jobs in the Finger Lakes region, Schumer said.

"We must not leave the Grape Genetics Research Unit on the vine," Schumer said. "It is vital that the federal government invest in its own scientific workforce and provide them with the necessary resources to keep pace with innovative, state-of-the-art technologies."

Grapes are an exceptional success story for New York agriculture, according to Kathryn J. Boor, the Ronald P. Lynch Dean of the College of Agriculture and Life Sciences at Cornell University, whether it's the Cayuga white for wine or the Concord for juice, jellies and other products.

But the industry needs investment help to address increasingly challenging problems in order to stay competitive, Boor said.

"New York grape farmers have played a role in developing hundreds of products that enrich our everyday lives," Boor said. "But we cannot take our success for granted. Consumer habits and the competitive marketplace continuously evolve."

To address the needs of scientists and researchers, Schumer called on the Department of Agriculture and Agriculture Research Service to invest in mobile and static digital data sensors and robotic tools on field-mounted vineyard equipment for the research unit.

Schumer said this equipment would help enable scientists to collect real-time data on crop canopy, insect and disease pressure, and water and nutrient stress. Additionally, digital sensors, working in combination with new varieties of pest- and disease-management systems developed at Geneva, would allow scientists to provide growers with integrated digital management systems to create economic and environmental efficiencies.

Schumer also said the Research Service must invest in increased computational capacity for the Grape Genetics Research Unit. This is necessary to fully use the data generated from the digital sensing systems, and allow for the development of models that can be deployed by commercial vineyard growers in New York and beyond.

The Research Unit, which is co-located on the Cornell AgriTech campus at the New York State Agriculture Experiment Station, is one of the Agriculture Research Service's most productive, collaborative, and innovative research programs, Schumer said.

Schumer said that with more than 1,630 family vineyards, 400 wineries, and almost 40,000 acres of cropland, the state's grape crop alone is valued at over \$52 million and generates \$4.8 billion in economic benefits annually for New York, thus, continued growth and research is critical.

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## Legalised Cannabis Could Devastate US Wine Industry, Analyst Warns

The Drinks Business

By Simon Fearn

April 20, 2018

Wealthy middle-aged women — the biggest wine-drinking demographic in the US — say their cannabis use would increase if the federal gov US consumers could turn away from wine in favour of legalised marijuana, according to beverages analyst Bourcard Nesin at food and agribusiness financial services provider Rabobank.

Marijuana is currently legal in nine states, while Canada looks to legalise the drugs in the summer and Michigan will likely legalise cannabis after a ballot in November.

Nesin noted that 34% of women, 56% of baby boomers and 67% of those who earn over \$50,000 (£35,000) said their marijuana consumption would increase if the US federal government legalised marijuana, according to a 2017 poll by Marist and Yahoo News. This demographic is also the most likely to consume wine.

Nesin told Rabobank's Rabo Research: "It makes sense that older, wealthier consumers would see the largest bump in marijuana use after legalisation. These individuals conceivably have the most to lose (like mortgages or high-paying jobs) if caught using/possessing illegal drugs."

Marijuana could also have the edge for the health conscious consumer. It's calorie-free and 79% of US consumers believe it's safer than alcohol, according to the Marist and Yahoo News poll.

Finally, the states which have legalised cannabis also have high wine consumption. Over 30% of US wine is consumed in states which have legalised marijuana.

Nesin said: "Marijuana is not going to replace wine with dinner. If you are eating steak-frites, chances are you are still reaching for a Cabernet.

"Marijuana is really competing for the relaxation-indulgence occasion and social occasion. A 'vape' could replace the glass of wine after a long day's work, and a box of marijuana-infused chocolates could replace the bottle of wine brought to a friend's house party."

The drinks industry, however, is already innovating to respond to the upsurge in cannabis consumption. Last December, Rebel Coast Winery in California launched the first cannabis-infused wine of its kind. It replaces the alcoholic content of the wine with THC, the psychoactive component of the plant.

The drink promises to retain the complexity of the wine while appealing to cannabis enthusiasts. Replacing the alcohol with THC could also appeal to health-conscious consumers, being calorie-free and perceived as the safer drug.

The beer industry, which analysts also predict will be affected by the legalisation of cannabis, is also capitalising on the opportunities the drug presents. Keith Villa, the former MillerCoors brewer behind Blue Moon beer, launched Ceria this month, a company producing cannabis-infused, non-alcoholic beer.

Villa told the drinks business: "Currently there is no way to socially consume cannabis. The only ways you have now are to smoke, but second hand smoke is anti-social. Chocolates aren't really sociable in the same way as a beverage either."

Cannabis-infused beer or wine, then, could become the preferred method of consuming the newly legalised drug.

## EDUCATION NEWS

### College Drinking Arrests in PA: A Look at the Numbers (Excerpt)

WNEP 16 News

By Dave Bohman

April 19, 2018

BLOOMSBURG, Pa. -- When parents send their kids to college, they budget for tuition, room, and meal plans but not bail.

A Newswatch 16 investigation finds some area universities regularly see more than 100 students arrested every year for underage drinking and other alcohol-related crimes.

The university at the top of the list expects several arrests this weekend.

After a long winter that stretched into the spring, Bloomsburg University's weekday campus life will probably change during this coming weekend's "Block Party."

"A lot of people who go to the school do tend to take part in drinking activities," said Bloomsburg student Lynn Darby.

Newswatch 16 crunched the numbers of alcohol-related arrests over a three-year period and found six colleges in northeastern and central Pennsylvania with more than 10 students per 1000 likely to be charged with underage drinking and other alcohol-related violations in a given year.

Bloomsburg University was number one with nearly 18 violations per 1000.

"That did not surprise me. But it's not a bad thing," said Donald Young.

Donald Young is Bloomsburg's dean of students. He and Dione Somerville, the school's vice president of student affairs say these numbers are an opportunity to get people help.

When a student gets arrested, on or off campus, they have options of treatment, counseling, even rehab, depending on the situation.

"We have very few students that are repeat offenders," said Somerville.

In his 36 years at Bloomsburg, Young says several Bloomsburg grads brought to him after drinking arrests have even contacted him.

"If someone did not pull me aside, if this situation didn't happen, who knows what would have happened to me, or what road I would have went down," Young said, recounting his conversations with former students.

There will likely be more students who will be meeting with Bloomsburg's dean of students after this upcoming party weekend, where students and friends from out of town will be drinking with some situations may get out of control.

"There's not like too many options on the weekend other than possibly going out to parties and stuff like that," said Darby.

Officials at both Bloomsburg and East Stroudsburg Universities say they have increased the number of programs and counselors for students in recent years.

## DAILY NEWS

### Waffle House Is Serving Beer for the First Time Ever

*Ironically enough, the booze-slinging location doesn't have any waffles.*

Food & Wine

By Mike Pomranz

April 19, 2018

Plenty of restaurant chains don't bother with the headaches of selling alcohol. But if they ever have a change of heart and do give booze a try, the move almost always gets people excited. Last year, Taco Bell garnered plenty of buzz by announcing plans to add alcohol at over 300 locations. Similarly, a few years back, a Denny's in New York grabbed headlines by offering high-end cocktails (though that outpost eventually shut down). Now, another well-known American diner has just made its first foray into alcohol, but this new opening comes with a catch (and some hits, walks and strikeouts).

For the first time, a Waffle House is serving beer—but don't expect to turn your go-to after-party spot into your new go-to drinking spot... that is, unless you have Atlanta Braves tickets. This new Waffle House location serves beer is because it's peppered among the concession options within Atlanta's SunTrust Park baseball stadium.

Located in Section 130, the officially-named World Famous Waffle House Hashbrowns Cart opened earlier this week serving a limited menu of food and beverages including two types of cold brews. According to the official Waffle House Facebook page, it is "the 1st and only Waffle House location now serving beer," and, as an answer to your obvious follow-up question, the social media account also states, "We have no plans to bring it to our [other] locations. It is sold here because it is in Suntrust Park."

Ironically enough, though this new location has beer, what it doesn't have is any waffles. The cart only sells three items: a Cheesesteak Melt Hashbrown Bowl, a Grilled Chicken Melt Hashbrown Bowl, and Double Hashbrowns, which can be accentuated with toppings like grilled onions, American cheese, chunked ham, jalapeno peppers or Bert's chili. Then, as far as beer is concerned the cart only offers Miller Lite or Coors Light.

So in the end, it's probably best the Hashbrown Cart doesn't sell waffles. They wouldn't pair properly with a domestic pale lager anyway; you want something dark and malty to really meld with the flavors of that maple syrup! Meanwhile, if the Waffle House Facebook post is to be believed, the new cart has something even better to make it up to you... Waffle House beer koozies!

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### Former British Airways pilot accused of trying to fly plane while four times over alcohol limit

Evening Standard.

By Lucia Binding

April 20, 2018

A former British Airways pilot has been accused of trying to fly a packed holiday jet while four times over the alcohol limit.



Julian Monaghan, 49, has been charged over claims he attempted to fly a British Airways Boeing 777 after drinking alcohol.

Cabin crew members on the flight carrying 300 passengers called 999 shortly before take-off from Gatwick Airport on January 18, police said.

The Boeing 777 was headed on a 12-hour flight to Mauritius.

Mr Monaghan – a long-serving British Airways first officer – was allegedly intoxicated when he boarded the aircraft.

He was arrested at Gatwick's North Terminal during the incident which delayed the flight's departure by more than two hours.

Sussex Police confirmed he had been charged with having 86mg of alcohol per 100ml of blood in his system. The alcohol limit for pilots is 20mg.

A spokesman told the Standard: "The Crown Prosecution Service has authorised a charge of being over the alcohol limit on board an aircraft against a former pilot.

"Julian Monaghan, 49, a resident of South Africa, was arrested at Gatwick Airport's North Terminal at about 8.45pm on Thursday January 18 on suspicion of performing an aviation function when the level of alcohol was over the prescribed limit.

"He is charged with having 86mg of alcohol per 100ml of blood in his system. The legal limit is 20mg."

Mr Monaghan – who splits his time between South Africa and Harmondsworth, west London – is scheduled to appear before JPs in Crawley on June 6. He has not been asked to enter a plea.

BA said it was assisting police and that Mr Monaghan no longer works for them.

A spokesman for the airline said: "Julian Monaghan no longer works for the airline.

"The aircraft remained at the gate until an alternative third pilot joined the flight crew.

"We have taken this matter extremely seriously and will continue to assist the police with their inquiries.

"The safety and security of our customers and crew is always our top priority."

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## Veterans-Turned-Brewers Help Others Who Served Develop New Skills

WAMU 88.5

By Rebecca Sheir

April 19, 2018

It's getting easier to find top-notch, handcrafted whiskey, bourbon, vodka, and other spirits made in the U.S. With more than 1,500 craft distillers across the country, the American spirits movement is on the rise, and in Vermont, the industry is booming.

Over the past 15 years, the number of licensed distilleries in the Green Mountain State has increased nearly tenfold: from just three to more than 24, according to Vermont's Distilled Spirits Council.

But a new distillery in northern Vermont isn't just manufacturing spirits. It's raising the spirits of the community, especially when it comes to veterans.

In an industrial garage in St. Albans, Steve Gagner uses an electric pump to transfer clear, strong-smelling liquid from a tank to a white oak barrel.

"Alright, so we're opening the valve from the spirit tank to the pump, positioning the nozzle over the barrel, and now we fill for 33 gallons," he explains.

Open this barrel in a year or two, and you'll taste one of the first batches of bourbon from Danger Close Craft Distilling.

"Danger Close" is a military term for when you need to call in the artillery and they need to know that the enemy is close to your position, Gagner says.

Gagner knows the meaning of danger close firsthand. He's a major in the Vermont Army National Guard, and served in Iraq and Afghanistan. After returning, he and fellow Army buddy Matt Kehaya started 14th Star Brewing Company in downtown St. Albans in 2011.

Six years later, they barreled their first Danger Close bourbon. Gagner says a distillery was a logical next step.

"We already have a facility where we can brew world-class beer, and so we didn't have to replicate that to create this place," Gagner says.

So they brew the unfermented beer — or "wurt" — downtown, at 14th Star, and then move it to the distillery about 1.5 miles away. "We truck it down here and it goes into our fermenters," he says. "And then we can distill the alcohol off from that."

They produce 6,000 gallons of beer a week at the brewery. They donate a portion of their proceeds to local nonprofits, from food kitchens and preschools to veterans' organizations like the Josh Pallotta Fund, which seeks to raise awareness of traumatic brain injury and post-traumatic stress disorder, and reduce veteran suicide.

"Josh deployed with us to Afghanistan in our brigade," Gagner explains. "When we came home, he succumbed to TBI and PTSD and took his own life."

Now that Danger Close is up and running, the team is expanding its support for fellow veterans.

Zac Fike is Gagner and Kehaya's newest partner. The three served together in Afghanistan before Fike was wounded by a rocket attack. As the Purple Heart recipient explains, the Danger Close team will use its experience to teach other veterans about launching and running companies of their own.

"Part of our business model, going into the future, is to be able to share that with other veterans — having them come to our facility whether it's at the brewery, or here at the distillery, learn a trade, give them the confidence to be brave enough to actually take that leap when it comes to starting their own business," Fike says.

Gagner adds that he thinks veterans are especially suited to be leaders in any industry. They're experts at building and working in teams, they have an iron stomach when it comes to taking risks, and they know how to plan an operation.

"It literally translates beautifully into business planning," he says. "Right now we're conducting the shaping operation of putting bourbon into barrels. Our decisive operation is going to be that initial launch. The Army literally trained us to do this. Maybe, maybe not the bourbon part ... maybe a little bit."

Gagner, Fike, and Kehaya aren't stopping at bourbon; they're also working on a rum made with Vermont maple syrup. But retirement from the military is still a few years off, so all plans are subject to change.

"We're also all deployable, so that kind of plays a factor," says Kehaya.

Gagner adds, "We might need to take a year break to do some other stuff."

In the meantime, these three veterans and friends are living out the motto you'll eventually see emblazoned on their bottles: "Keep your friends close and your whiskey Danger Close."