

Control State News

Montgomery County, MD: Montgomery Co. liquor sellers: Department improving, needs more changes

WVa: Bill would require bar owners to report life-threatening events

IA: Cameras coming to ignition interlock systems

License State News

CO: Grocery Stores Prepare To Transition To Full-Strength Beer

HI: Liquor panel rates Mukai 'above average'

International News

Russia: Russian Alcohol Consumption Falls 80% in 5 Years, Says Minister

Australia complains to WTO about Canadian rules on selling wine

Public Health News

New approach is helping youngsters steer clear of alcohol

Industry News

Big brewers call on feds to axe increasing beer tax

Gin 'Key Driver' As UK Distillery Numbers Rise By 127% In Five Years

Winemakers fear \$100 million blow if trade barriers stand

Education News

U.Va. outreach combats binge drinking

Revised alcohol policies released for ISU Greek chapters

Daily News

TTB Releases Initial Guidance On Reduced Federal Excise Tax Rates

The Improbable Prohibition Agents Who Outsmarted Speakeasy Owners

January 17, 2018

Please visit NABCA's new website at www.nabca.org

SAVE THE DATE

Registration Is Now Open for the Legal Symposium! Visit www.nabca.org to register.

MARCH 18-20, 2018

25th Annual Symposium on Alcohol Beverage Law & Regulation at the Crystal Gateway Marriott in Arlington, VA.

Join government, legal and industry professionals for a symposium that offers the chance to hear the latest on legal issues related to alcohol beverages. Session topics currently planned include *Here Comes the Judge*, *The Lens of Time: 1st versus 25th NABCA Legal Symposium*, *Trade Practices: A Civil Matter?* plus many others. Watch for registration materials in the coming months! Continuing Legal Education (CLE) credit is available for many states. For more information, go to www.nabca.org.

APRIL 11-13, 2018

Alcohol Policy 18: Evidence To Action - Building an Evidence-Based Social Movement Renaissance Arlington Capital View Hotel, Arlington, Virginia. For additional information on hotel, important dates and more, please visit the AP18 Conference website. **AP18 Registration Now Open!**

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

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

JUNE 3-5, 2018

2ND Annual Beverage Alcohol Retailers Conference - Denver, Colorado
Registration is open and sponsorship information is available at www.BevRetailersConference.com.

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

JULY 18-20, 2018**8th 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 for more information.

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

Sunday Alcohol Sales (July 2017)

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

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

NABCA Survey Database – now available for members on the website.

www.NABCA.org



CONTROL STATE NEWS

Montgomery County, MD: Montgomery Co. liquor sellers: Department improving, needs more changes

WTOP

By Dick Uliano

January 16, 2018

WASHINGTON — Montgomery County governs the sale of alcohol more closely than any county in the nation. While that control has caused problems in the past, private county businesses that sell beer and wine see improvements — but say the government's operation needs more changes.

The county Department of Liquor Control has a monopoly on the wholesale distribution of all alcohol, and retail sale of spirits.

Over the recent holiday season, many restaurants, bars and beer and wine shops say they received adequate county shipments of popular wines, unlike in years past, when shipments left them without the wines customers wanted.

"There have been many improvements by the Department of Liquor Control in their wholesale operations," said Peter Frank, who has owned and operated Talbert's Ice and Beverage on River Road in Bethesda, for the past 62 years.

Complaints by private dealers sparked an overhaul at the county's alcohol warehouse.

"We've made some pretty serious improvements in our warehouse operations," said Bob Dorfman, who is marking his anniversary this month as the director of the Department of Liquor Control. "We've reconfigured our warehouse; we've added additional racking; we've employed new technologies that hadn't existed in the warehouse before."

There's been a concerted effort to modernize wholesale operations, including the county's fleet of delivery trucks.

The operations of the agency, which traces its history to the 1930s and the end of Prohibition, are convoluted, but the DLC makes room for some private businesses to sell alcohol by allowing convenience stores, such as Talbert's, to sell wine and cold beer. While county stores are the only stores that sell spirits, beer and wine, the beer is sold warm.

At the government-run stores, the DLC has sought to streamline inventory and boost sales.

"We changed not only our pricing strategy but our product strategy as well," said Dorfman. Far fewer wines are being put on sale, but the sale prices are more significant than the broadly discounted prices of the past.

Private sellers complain that the DLC price strategies are unfair, with county stores selling some wine brands close to the cost of what private sellers are paying wholesale.

"The government-run stores, which are called dispensaries, are unfair competition to us — the beer and wine retail stores," said Frank, who added that the unfairness lies in the county-run stores' ability to set wholesale and retail prices.

"They're unfair competition because they have a dual price advantage," Frank said.

"We have every right to determine what items we're going to put on sale and for what price," countered Dorfman; "Independent retailers pay exactly the same price as our retail stores pay."

The county liquor control system generates about \$30 million a year in revenue, but those inside and outside government have raised questions about whether the county should give up its iron grip on alcohol sales.

At a candidate's debate late last year, a majority of the six candidates running for Montgomery County executive said they were open to the idea of getting the county out of the business.

WVa: Bill would require bar owners to report life-threatening events

WV News

By Rusty Marks, Staff Writer

January 16, 2018

CHARLESTON — Members of the West Virginia Senate are discussing a bill that would require bar owners to report violent crimes or other life-threatening events that happen on their property to law enforcement, EMS and the state Alcohol Beverage Control Administration.

The Senate Judiciary Committee discussed the proposed legislation, Senate Bill 110, on Tuesday.

Committee attorney Tom Smith said the bill came out of an incident that occurred at a bar in Martinsburg. According to Smith, a bar patron overdosed on drugs while in the bar, but no one called an ambulance for an extended period of time.

Senate Bill 110 would require bar owners to notify emergency services and police immediately if a life-threatening event happens at a bar or outside in the parking lot, Smith said. ABCA officials also would have to be notified under the proposal.

ABCA attorney Anoop Bhasin said the bill is intended to help alcohol control officials keep tabs on dangerous or troublesome bars. He said ABCA officials usually have a pretty good idea about what is going on in different establishments around the state, but requiring bar owners to self-report would make it easier to suspend or shut down dangerous bars.

Sen. Patricia Rucker, R-Jefferson, was worried the legislation would require bar owners to report incidents over which they have no control, like patrons getting pulled over for driving under the influence miles away from the bar.

Sen. Richard Ojeda, D-Logan, also had questions about the bill.

“Are you going to have to be notified for every fist fight that happens in a bar?” Ojeda wanted to know.

“You’ve never been to a bar in Logan County. Your phone would be ringing off the hook.”

Bhasin explained that the bill is intended to address emergencies that arise out of violence or crimes, like bar shootings, parking lot stabbings or drug overdoses, and is not intended to address run-of-the mill medical emergencies that might occur inside a bar.

Senators amended the bill to make the distinction clear and recommended the bill be passed on to the full Senate for consideration.

Also on Tuesday, the committee approved a bill making corrections to Senate Bill 53. The bill deals with legislation allowing private property owners to restrict having guns in their homes or businesses.

When lawmakers passed bills last year allowing concealed weapons holders to keep guns in their cars in school parking lots and passed other bills allowing the carrying of guns on other types of property, those new sections of code had to be added to existing law. Judiciary Committee Chairman Sen. Charles Trump, R-Morgan, said the bill would correct the incorrect code references.

IA: Cameras coming to ignition interlock systems

The Daily Nonpareil

By Mike Bell

January 17, 2018

IOWA - Cameras on ignition interlock systems used by those convicted of drunken driving may begin to appear on dashboards as soon as July.

The goal of adding cameras is to deter restricted drivers from using other people to take the breath test needed to start the engine of their vehicle.

Drivers with restricted licenses are those who have repeatedly been convicted of drunken driving, had a blood-alcohol level of more than .10 percent on their first offense or were involved in accidents.

Pottawattamie County Sheriff Jeff Danker said he had some questions remaining on how the system will work, but he liked the idea of stopping drunken drivers.

“Anything that can be done to prohibit someone from driving while intoxicated, we should do whatever we can,” Danker said. “If the camera can resolve the issues of the breath test, it may be worth looking into.”

The vehicles would still start, but drivers could lose their restricted driver’s licenses and be charged with crimes after the ignition interlock company notifies the state that other people blew into the devices.

“That falls into the category of tampering or circumventing the device,” said Melissa Spiegel, the Iowa Transportation Department’s director of motor vehicles.

Patrick Hoye, chief of the Governor’s Traffic Safety Bureau, told The Des Moines Register that most nearby states already have the requirement.

All repeat drunken driving offenders are required to install the devices sans cameras in Iowa.

At least eight times since 2009, Iowa lawmakers have proposed strengthening the state's interlock laws by requiring all drunken-driving offenders, not just repeat cases, to install the devices on their vehicles. The legislation failed to gain traction.

"There were so many pieces to those bills that it was too much for everyone to absorb," Spiegel said.

The offenders will pay an additional \$15 per month — \$75 total — for ignition interlock devices with cameras, officials said. Most drunken-driving offenders must wait at least 30 days before they can obtain temporary restricted driver's licenses, which allow driving only to and from work.

The Transportation Department said there were 89 alcohol-related crash fatalities in Iowa in 2016. The 2017 number isn't yet available.

LICENSE STATE NEWS

CO: Grocery Stores Prepare To Transition To Full-Strength Beer

CBS Denver

January 16, 2018

DENVER (CBS4) – The Department of Revenue is working on how grocery stores in Colorado will transition to selling full-strength beer.

Next year, gas stations and grocery stores will be able to sell full-strength beer instead of the 3.2 beer that is currently on shelves.

The law was signed by Gov. John Hickenlooper in June 2016 which allowed grocery store chains to phase in liquor sales over the next 20 years at 20 locations per company.

Grocers will have to pay a premium for their liquor licenses.

Grocery stores that have nearby liquor stores within a 1,500 foot radius will have to buy out the liquor stores' liquor licenses in order to put the booze on grocery store shelves.

All grocery stores will be able to get liquor licenses by 2037.

HI: Liquor panel rates Mukai 'above average'

The Maui News

January 1, 2018

The Maui News – The Maui County Liquor Control Commission gave Department of Liquor Control Director Glenn Mukai "above average, satisfactory marks" in its first review of his job performance, according to a letter sent from the commission to Mayor Alan Arakawa.

"The commission believes that Director Mukai continues to lead the Department of Liquor Control in a satisfactory manner," commission Chairman Robert Tanaka reports in a letter Thursday to the mayor.

The director received "above average" marks in all categories of his evaluation, including leadership in the department's relationships, community relations, standards of professionalism and management of the department's administrative and budgetary responsibilities.

Mukai earns \$132,432 annually to lead the department responsible for the regulation and control of the importation, manufacture, sale and service of alcoholic beverages. The department administers liquor licenses and permit applications, site inspections and enforcement of liquor laws.

The commission's review comes despite the department's leadership coming under heavy criticism in 2017 for pushing major rule changes that included allowing 24-hour retail sales of alcohol and imposing stringent requirements on nonprofit groups seeking single-event licenses. Most of the changes initially approved by the commission have been reversed under public pressure.

Mukai took over as director in June 2016 after an eight-month hiring process triggered by the retirement of former Director Frank Silva. Tanaka has said Mukai was hired for his more than 30 years of experience, including serving as deputy director.

INTERNATIONAL NEWS

Russia: Russian Alcohol Consumption Falls 80% in 5 Years, Says Minister

The Moscow Times
January 16, 2018

Russia's health minister has said that Russians consume 80 percent less alcohol than they did five years ago, amid a decrease in smoking levels and an increase in the number of people who do sports.

The latest World Health Organization figures put Russia's alcohol consumption below that of France and Germany.

"We have managed to reduce the consumption of alcoholic beverages per capita by 80 percent [in 5 years]," the Kommersant business daily cited Health Minister Veronika Skvortsova as saying Tuesday.

Official statistics show average alcohol consumption in Russia plummeting by a third between 2009 and 2016. Consumer rights watchdog Rospotrebnadzor credits new minimum price laws, advertising bans and sales restrictions for the drop.

Some 40 percent more Russians have become involved in sports over the same period, Skvortsova was cited as saying at a business lunch ahead of the annual Gaidar Forum.

Smoking has also gone down in Russia over the past five years, with 22 percent fewer adults taking part in the habit and a threefold decrease in smoking among minors, she added.

"Looking back at the past 5-7 years, we managed to partially overcome bad habits like smoking thanks to a progressive law against tobacco smoking," Russia's chief health official said.

Australia complains to WTO about Canadian rules on selling wine

World Trade Organization action launched after bilateral talks broke down, report says

CBC News
Thomson Reuters
January 16, 2018

Australia has complained at the World Trade Organization about the rules applied to the sale of wine by Canada and various Canadian provinces, a WTO filing showed on Tuesday.

"It appears that a range of distribution, licensing and sales measures such as product markups, market access and listing policies, as well as duties and taxes on wine applied at the federal and provincial level may discriminate, either directly or indirectly, against imported wine," Australia said.

In October, the United States accused British Columbia of giving an unfair advantage to local vineyards by giving their wine an exclusive retail channel in grocery stores and cutting out U.S. competition.

Australia's complaint expanded the U.S. argument, saying that not only British Columbia but also Ontario, Quebec and Nova Scotia, as well as the Canadian government, have policies on wine that break WTO rules.

A spokesperson for Global Affairs Canada said the distribution and sale of alcoholic beverages falls under provincial authority.

"The government works closely with all provinces and territories to ensure their liquor distribution and sales policies are consistent with our international trade commitments and will continue to give careful consideration to a request for consultations from any WTO member," said Natasha Nystrom in an email to CBC News.

Ontario's Ministry of Finance — which is responsible for policy regarding alcohol and the Liquor Control Board of Ontario (LCBO) — said it takes its international trade commitments seriously and will work with Global Affairs Canada in responding to Australia.

"While import wines are a key category in the LCBO, representing 76 per cent of wines sold, we are also proud of our efforts to support local Ontario wineries," a spokesperson for the ministry said in an emailed statement.

Talks failed

The Australian newspaper reported that Australia's Trade Minister Steve Ciobo launched the WTO proceedings after bilateral talks with Canada broke down.

Canada is reported to be Australia's fourth-largest wine export market, with a value of about \$197 million Cdn, putting it behind China, the United States and Britain.

Australia has seen exports of bottled wine to Canada almost halved between 2007 and 2016, although sales to Britain and the United States, once its top export markets, have fallen by even more.

"Australia has requested formal WTO consultations on measures discriminating against Australian wine imports that we consider to be clearly inconsistent with Canada's WTO commitments," the newspaper quoted Ciobo as saying.

"Canada's inconsistent measures include extra taxes, fees and markups on imported wine, separate distribution channels reserved for Canadian wine, and restricting sale of imported wine in grocery stores to a 'store within a store,'" Ciobo is reported to have said.

The dispute is the first brought by Australia against Canada in the history of the WTO, and follows a rise in trade tension between Canada and the United States.

Under WTO rules, Canada has 60 days to settle the dispute with Australia. After that, Australia could ask the WTO to adjudicate, with a view to forcing Canada to change its laws or risk trade sanctions.

PUBLIC HEALTH NEWS

New approach is helping youngsters steer clear of alcohol

Medical Xpress

By Jim Barlow, University of Oregon

January 16, 2018

Credit: University of Oregon

In 15 public middle schools in rural Oregon, UO education researcher Mark Van Ryzin is testing an old approach proven to enhance learning to see if it can be adapted to head off behavioral problems. It appears to be working.

Early results, emerging in a series of papers, indicate that after one year, seventh-grade students in seven test schools are less likely to seek out deviant peer affiliation and drink alcohol, or even show a willingness to try it, when compared to their counterparts at eight control schools. The data also indicate a reduction in bullying behavior, stress, emotional problems and tobacco use, as well as an increase in peer relations.

Middle schools in the Lane, Southern Oregon and High Desert education service districts are participating, said Van Ryzin, a lecturer in the Department of Educational Methodology, Policy, and Leadership and a research scientist at the Eugene-based Oregon Research Institute.

The research is being done in middle schools because that's where peer influences begin to increase student vulnerability to undesired behaviors, he said. The project involved 1,460 students, who were 52 percent male and 76 percent white. Rural schools were chosen, Van Ryzin said, because they often lack resources.

After one year in the project, Brad Eaton, principal of Scenic Middle School in Central Point, is pleased.

"The data on our school showed a large impact on students feeling more connected to the school and the people in it, which is exciting to me as a building leader," Eaton said. "For teachers, this provided additional engagement and active participation strategies that were supported by research on student achievement. For students, it allowed them to create interpersonal connections with others outside their normal peer group."

The intervention uses cooperative learning, an academically inspired approach developed in the 1960s by David W. Johnson and Roger T. Johnson of the University of Minnesota. It was originally designed to promote cooperation in a way that taps individual efforts to achieve group learning goals.

As a graduate student at Minnesota, Van Ryzin took courses from David Johnson and wondered if cooperative learning, which had already been found to boost student academic engagement and achievement, could also address the negative peer processes that are at the root of a number of student behavioral problems.

"Cooperative learning isn't new," he said. "It's been around for a long time. If it isn't implemented well, however, it won't work, and in fact it could be a negative experience for students. Our approach is going back to core principals of cooperative learning, providing teachers with the tools to do it correctly within an existing curriculum and without following a cookbook-like mentality."

The Johnsons, who head the Cooperative Learning Institute in Minnesota, have helped in Van Ryzin's training sessions for teachers, using the book "Cooperation in the Classroom" as their guidebook. Training sessions for the project's first year, 2016–17, were done in three half-day sessions with additional videoconference check-ins and access to resources to implement the program.

Teachers randomly place students in small groups to tackle short-term projects. Each student gets a specific task to contribute as part of a group's solution. The approach emphasizes individual accountability, face-to-face interactions and the development of collaborative skills. It promotes positive social interactions that reduce alienation and counters situations in which some students feel left out of the selection process or where one student does all the work.

"The idea is to build interconnected social networks that are free of cliques, without boundaries, without exclusion, without conflicts," Van Ryzin said.

Preliminary findings, based on data from the first year of a still-ongoing study funded by the National Institute on Alcohol Abuse and Alcoholism, are beginning to land in journal articles. One paper was published in mid-December, another was accepted for publication and a third is under review.

Initial data analysis focused on alcohol use because seventh-graders are at the cusp of increasing exposure and experimentation, which raises the risk of educational problems, substance abuse problems, brain impairments, diseases and diminished work capacity.

In a paper in the December issue of the journal *Child Development*, the researchers reported on the effects of cooperative learning on engagement with deviant peers and the use of and willingness to try alcohol.

"The goal is to improve the social climate of the school by essentially giving students the opportunity to make new friends outside of their existing social groups," wrote Van Ryzin and co-author Cary J. Roseth of Michigan State University.

A second study, accepted for publication in the *Journal of Educational Psychology*, will detail their preliminary findings showing a reduction of bullying, victimization, stress and emotional problems in the same middle schools. In a third paper, appearing soon, Van Ryzin and Roseth will report additional details on cooperative learning's impacts on peer influences related to alcohol and tobacco use.

The current project is in its second year. Van Ryzin is recruiting schools for a larger, second phase that likely will include some high schools.

"We'd like to look at things like teen dating violence and sexual harassment in high school," he said. "At some point, I'd like to explore this approach at the university level, especially with teachers in freshmen introductory classes."

Van Ryzin, a native of Wisconsin, moved to Eugene in 2009 to join UO College of Education faculty members doing research at the Oregon Social Learning Center. In 2012, he moved to the Oregon Research Institute. He joined the UO in 2013.

Explore further: Cooperative learning aids in preventing alcohol use in rural middle schools

More information: Mark J. Van Ryzin et al. Enlisting Peer Cooperation in the Service of Alcohol Use Prevention in Middle School, *Child Development* (2017). DOI: 10.1111/cdev.12981

Journal reference: *Child Development*

Provided by: University of Oregon

INDUSTRY NEWS

Big brewers call on feds to axe increasing beer tax

Ottawa Business Journal

By The Canadian Press

January 17, 2018

The federal government's plan to hike excise taxes on beer every year will result in consumers paying more for the alcoholic beverage and business owners investing less in their operations, says an industry association fighting the change.

The industry is already grappling with high taxes, said Beer Canada, a trade association for the country's major brewers. These future increases, which will be tied to inflation, will only exacerbate the challenges it's facing and possibly accelerate the slowing of beer consumption in Canada, the organization said Tuesday.

"Beer drinkers are going to be faced with higher prices because of higher taxes. That's not favourable for sales," said Luke Harford, the association's president.

"Brewers are going to be left with less money to invest in their plants, their people and their communities – and that's not a good thing either," he added.

Beer Canada officially launched a campaign Monday asking suds-loving Canadians to sign a petition requesting that Finance Minister Bill Morneau axe the escalating beer tax. The petition, which the group started sharing several weeks ago via its social media channels, collected 15,400 signatures as of Tuesday morning, according to the association.

In last year's federal budget the Liberal government increased the excise duty rates on alcohol products, including beer, by two per cent, Finance Minister spokeswoman Chloe Luciani-Girouard said in an email. That amounts to about a nickel per 24-bottle case of beer, she said.

At the time, the government also announced it would annually adjust the tax by indexing it to the consumer price index with the first inflationary adjustment coming this April.

"It's worth remembering that the last effective increase to the federal excise tax was over 30 years ago," said Luciani-Girouard, adding small Canadian brewers are charged decreased rates on the first 7.5 million litres of beer.

"The annual inflationary adjustment will provide alcohol producers with greater certainty in the future and is in line with actions taken by many provinces," she said.

But Beer Canada wonders how the 50 brewers it represents will manage these yearly tax bumps.

"When we have this built in every year, it's really making it, you know, difficult to operate," said Dave Fenn, co-owner of Howe Sound Brewing in Squamish, B.C., which is a Beer Canada member.

Already, federal, provincial and municipal taxes on beer products are high, according to Beer Canada, which estimates 47 per cent of the current price of beer in Canada is tax – a figure Fenn said reflects his brewery's pricing.

The sector's also been hit by other pressures, Fenn said, like high material and energy costs, and increasing labour costs.

Any additional tax really squeezes breweries, he said, as many products are priced at their ceiling.

In the first year, some brewers may be able to absorb the cost, Fenn said, but they'll soon be looking at making small price increases or reducing production costs by decreasing labour or increasing automation.

Rising prices likely contribute to why people in Canada are drinking less, according to Beer Canada.

Between 2012 and 2016, per capita beer consumption decreased 7.55 per cent from 83.4 litres to 77.1 litres, according to the industry group's figures.

Winemakers fear \$100 million blow if trade barriers stand

Financial Review

January 17, 2018

Australian winemakers fear a peace deal on the North American free trade agreement could drastically reduce their market share in Canada where they claim protectionist trade barriers are on the increase.

Industry leaders said Australia's move to challenge Canada through the World Trade Organisation was timely given the threat to their fourth biggest export market worth about \$190 million a year.

Canadian policies are a sore point for Australia and other major wine exporters, including the US which lodged its own complaint with the WTO last year.

The Winemakers' Federation of Australia warned the local industry could lose \$100 million a year if nothing was done to remove the trade barriers.

Margaret River-based Howard Park, part of an alliance of 12 producers making up Australia's First Families of Wines, said Canada was increasing trade barriers under a highly bureaucratic, government-controlled liquor retail system.

Howard Park owner Jeff Burch said there was widespread concern about the trade barriers and the prospect of US winemakers being handed the same advantages as Canadian producers.

"What we are all worried about is the Canadian negotiations with the US on the North American FTA," he said.

"We could be seriously disadvantaged if they do a deal that gives US wineries exactly the same privileges as Canadian wineries when the Canadians are grossly protected. That is a driver for us because then we would have a really big problem."

US producers currently have to battle their way through obstacles which also affect Australian and other exporters to get their wines under the noses of Canadian drinkers.

Tensions over NAFTA are running high with suggestions the US could withdraw from the pact, which also includes Mexico, and Canada lodging a wide-ranging complaint against the US with the WTO.

Canada's government-run liquor retailers impose a higher mark up on imported wine than on Canadian wine, add higher costs for shelf space and restrict access to some outlets. Overseas wines are also hit with higher laboratory testing fees and internal freight costs.

Mr Burch, whose winery has sold into Canada for the past 15 years and has distributors in every province, said retail was run through provincial liquor control boards each with its own purchasing arm.

"Can you imagine a government department running BWS or Dan Murphy's?" he said.

"Australia has noticed that because it is government-run, because it is a monopoly and because they have total control, they are constantly bringing in more and more demands."

Trade Minister Steven Ciobo denied the complaint was in retaliation for Canadian Prime Minister Justin Trudeau's last-minute decision not to sign up to a revamped Trans-Pacific Partnership free trade deal that left fellow leaders, including Malcolm Turnbull, fuming at the Asia Pacific Economic Cooperation summit in Vietnam in November.

A spokesman for Canadian International Trade Minister François-Philippe Champagne said the government worked with provinces to ensure liquor distribution and sales policies were consistent with international trade commitments.

Australia joined last year's US complaint to the WTO, which related to British Columbia, as a third-party observer.

The Australian complaint tackles similar concerns and takes in the Canadian Government, British Columbia, Ontario, Quebec and Nova Scotia.

Winemakers' Federation of Australia chief executive Tony Battaglene said high end and bulk producers across Australia had been suffering because of the trade barriers.

He said all imported wines had been affected by the restrictions and other countries, including the US, New Zealand and European producers, could join the action.

Mr Battaglene did not think Australia's dispute with Canada was a precursor to similar wine wars with other countries.

"What we've got is government monopolies within Canada and that's not common," he said.

Gin 'Key Driver' As UK Distillery Numbers Rise By 127% In Five Years

The Drinks Business

By Phoebe French

January 17, 2018

The latest figures from HMRC have revealed that a total of 42 new distilleries were opened in the UK in 2017, bringing the total to 315 and representing a 127% rise in five years.

The so-called 'gin-naissance' and the craft cocktail boom is said to be behind the rise in the number of distilleries in the UK.

A total of 49 new distilleries opened in 2017, but seven were closed, bringing the total of new distilleries set up in 2017 to 42.

In 2013 there were only 152 distilleries operating in the UK, the majority of which were based in Scotland.

Of the 49 distilleries that were opened, 22 were located in England, 20 in Scotland, four in Wales and another three in Northern Ireland. Indeed, over the past seven years, England has seen the most rapid increase in distillery numbers, with only 23 recorded in 2010 compared to 135 in 2017. With 24 distilleries, London now has more distilleries than the entire country did in 2010.

The figures provided by HMRC and published by the Wine and Spirit Trade Association (WSTA) do not distinguish between which spirit the distillery is actually producing. However, according to the chief executive of the WSTA, Miles Beale, gin is behind the change.

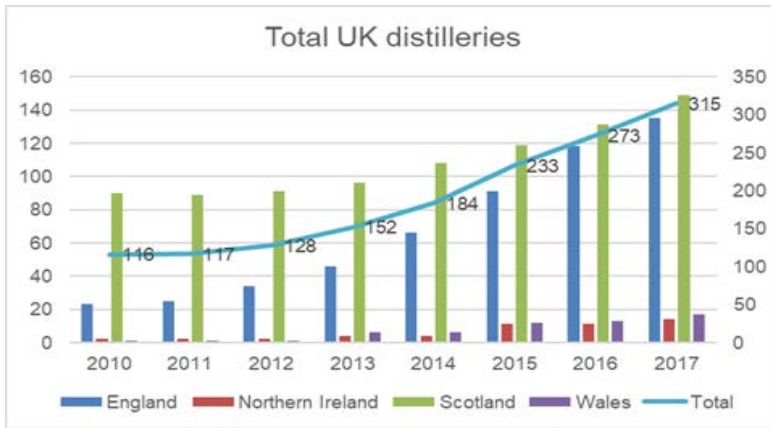


Image: WSTA

“Gin is the key driver behind the surge in new distillery openings in the UK in the last five years. New gin brands continue to pop up on our supermarket shelves, on a regular basis, as Brits show no sign of tiring of the quintessentially British spirit. It wasn’t that many years ago when a pub would stock one gin brand and now a gin menu offering a range of gins and mixers is common place in our pubs and bars.

“It is welcome news that another 49 new distilleries opened in the UK last year bringing new jobs to the British spirit industry and helping boost Britain’s export potential. There is a significant amount of investment going into the British spirits industry and the Chancellors welcome boost is likely to see this trend continue into 2018 – as well as broadening out into new variations of English and Welsh whisky,” he added.

Last year (in the year ending 9 September 2017), Brits purchased a record 47 million bottles of gin, up 7 million bottles compared to the same period the previous year.

Aside from gin, it is believed that new whisky distilleries, as well as demand for craft vodkas, rums, brandies and liqueurs are contributing to the rise.

James Wright, managing director of Aber Falls Distillery in North Wales, said: “It is an exciting time for the UK spirits industry as people are showing more and more interest in trying new spirit drinks and learning about where these drinks come from and how they are made. Our new site in Abergwyngregyn includes a visitor centre and training centre where the public will be able to sign up for our courses in craft distilling. We are extremely pleased to be creating a new distillery in Wales which will bring jobs and trade to the local area”.

In the 12 months to September 2017, the UK gin industry across the on- and off-trade was worth £1.2 billion.

EDUCATION NEWS

U.Va. outreach combats binge drinking

Office of Health Promotion has several resources to educate students on alcohol safety and help students make changes in their drinking habits

The Cavalier Daily

By Ruhee Shah

January 17, 2018

The National Institute on Alcohol Abuse and Alcoholism defines binge drinking as “a pattern of drinking that brings blood alcohol concentration levels to 0.08 g/dL” — this usually occurs after about four drinks in two hours for women, and five drinks in two hours for men.

For college students, this may not seem like a lot the 2015 National Survey on Drug Use and Health found that 37.9 percent of college students reported binge drinking in the past month.

Excessive drinking can have a variety of consequences, Robert Klesges, a University professor of public health sciences and co-director of the Center for Addiction and Prevention, said in an email to The Cavalier Daily.

“The consequences include lower grades, increased probability of dropping out of school, DUIs, arrest, risky sexual encounters, and a whole [lot of] other negative things that can happen when your mind is not working correctly,” Klesges said.

Klesges also noted that consequences can follow students after college, stating that binge drinking often persists over time, and that long-term binge drinking can lead to both cancer and heart disease.

In the short term, heavy drinking can often lead to students turning up at the local emergency room — from 2010 to 2013, nearly 420,000 people aged 18-20 were presented to an emergency department for an alcohol-related reason, according to the Substance Abuse and Mental Health Services Administration.

According to Dr. Chris Holstege, who is chief of the University’s Division of Medical Toxicology and executive director of Student Health, intoxicated patients in the emergency department are typically monitored to ensure that vomit doesn’t enter the airway and that they are breathing without difficulty.

“[Monitoring] can simply entail having the patient rest and allow the alcohol to metabolize, or in more severe cases the patient may need to be on respiratory and cardiac monitoring,” Holstege said. “Rarely, we have to put an acutely intoxicated patient on life support if the patient is not breathing or there is a risk of vomit entering their airway ... No patient ever has their stomach ‘pumped’ — that is a myth for alcohol intoxication.”

Additionally, students’ conditions are kept private, Holstege emphasized, as all patients are under the protection of HIPAA laws and are confidentially monitored in the emergency department.

Several on-Grounds organizations work to educate students on binge drinking and offer students information and guidance if they would like to scale back their drinking. The Office of Health Promotion, housed in Elson Student Health, consists of the Gordie Center for Substance Abuse Prevention, the Stall Seat Journal, ADAPT and the Peer Health Educators program — all of which educate students about unhealthy drinking.

Logan Brich, a third-year College student and Peer Health Educator, said PHEs are trained in numerous topics from sexual health, nutrition, mental well-being and drug and alcohol safety. They educate students through individual patient education sessions and outreach presentations at Greek organizations and other CIOs on Grounds.

“Our biggest outreach programming for binge drinking is the Fourth Year 5K, which is an effort to provide alternative programming on the day of the last home football game, not just that, but to get the community together and remind them that we’re all here for each other, and you can always reach out to somebody if you need them,” Brich said.

According to Brich, PHEs see culture change through education as being the most effective tool to combat binge drinking. PHEs educate students both one-on-one and in groups, and Brich stated that cultivating a feeling of community support can go a long way to improving alcohol safety as well as other aspects of student health.

Brief Alcohol Interventions, or BAIs, are also highly effective in reducing excessive binge drinking, according to Klesges.

“This is typically a one session intervention that is non-judgmental and provides helpful guides to prevent excessive drinking,” Klesges said.

The BASICS program, through the Gordie Center for Substance Abuse Prevention, is one such program, which consists of an online survey and a meeting to discuss one’s results. The program is designed to “provide a confidential, non-judgemental environment to assess personal risk, identify potential changes that could work for each student, and help reduce risk for developing future problems associated with substance use,” according to the Gordie Center website.

Similarly, in their outreach, PHEs are non-judgmental and try to meet students where they are rather than shaming them or forcing them to make changes, Brich said.

“Our biggest mission is that people are making choices that are right for them and that they feel are safe and healthy for them,” Brich said. “[...] We don’t necessarily go out, wag our finger at people, and say, ‘You’re binge drinking, you can’t do that’. It’s really about making sure that people feel that somebody has their back, that they’re supported if they do decide to make the change that’s healthiest for them.”

Revised alcohol policies released for ISU Greek chapters

Ames Tribune

By Caitlin Ware, Staff Writer

January 16, 2018

In an effort to better represent safety and well-being among Iowa State University’s campus community, the Office of Sorority and Fraternity Engagement recently released a set of revised policies regarding Greek chapters holding events involving alcohol.

As part of an ongoing national discussion about safety within university Greek communities, particularly in light of the four students who lost their lives in 2017 as a result of excessive alcohol consumption or hazing at different universities across the country, ISU's Director of Sorority and Fraternity Engagement Billy Boulden said in an email that the new policies are the result of nine months of work to better prioritize health and safety.

The new procedures and requirements focus heavily on regulating the use and serving of alcohol, and apply to any sorority or fraternity events that involve alcohol, whether held on campus or off. Under the new requirements, in order for an event involving alcohol to be approved and not violate university policy, alcohol may not be the focus of an event, pre-gaming is not allowed, chapter funding may not be used to purchase alcoholic beverages, minors may not be served and open parties with unrestricted access for non-members are not permitted.

Additionally, bulk or common sources of alcohol, like kegs and punch bowls, are prohibited, all recruitment, rush, initiation, and induction activities associated with a chapter must be non-alcoholic, drinking games and progressive drinking events — such as bar crawls — are not allowed and hazing remains a serious prohibited offense.

At all events involving alcohol, the sorority or fraternity hosting must have at least one sober member for every 15 people present, to be responsible for monitoring the safety and well-being of the attendees.

All Greek chapter social events should be registered and approved through the Office of Sorority and Fraternity Engagement; those that fail to register events or host unapproved events will be prohibited from hosting future events and will be evaluated on a "case-by-case basis."

"Over the last nine months, our office has been working with the Office of Student Conduct and University Legal Services to develop social event registration procedures and expectations that align with the best practices identified nationwide," Boulden said in an email. "This fall, the North American-Interfraternity Conference announced new health and safety standards in which all member organizations agreed to prioritizing health and safety among fraternity members. Our hope is that these revised procedures will create a safer environment for chapters, members, and guests."

In order to register an event with alcohol, sororities and fraternities are required to file a completed registration form at least 20 calendar days prior to the scheduled event, along with an attached preliminary guest list. Guest lists are limited to no more than three guests per chapter member, as long as the number does not exceed 400 people or fire code, whichever is lower.

The Office of Sorority and Fraternity Engagement will determine approval or denial for the events.

At all approved events involving alcohol, either a sober chapter member or hired security agent must ensure that every guest in attendance does not already appear to be under the influence of alcohol, is on a finalized guest list and has a valid ID that verifies birth date.

According to new policies and procedures documents, violations will be referred to appropriate university offices and fraternal governing councils, including administrators in the Office of Sorority and Fraternity Engagement, the Collegiate Panhellenic Council, National Pan-Hellenic Council, Multicultural Greek Council and the Interfraternity Council.

Resulting sanctions can include denial of event requests, loss of event or social privileges for a designated period of time, restrictions on the presence of alcohol at events for a designated period of time and educational requirements.

"Our community can reach our full potential only when each chapter is the best version of themselves and helps other chapters to do the same," Boulden said in an email.

DAILY NEWS

TTB Releases Initial Guidance On Reduced Federal Excise Tax Rates

Brewers Association
January 16, 2018

The Alcohol and Tobacco Tax and Trade Bureau (TTB) has issued initial guidance concerning reduced alcohol excise tax rates, which became effective on January 1, 2018. The changes to the tax rates were included in the Tax Cuts and Jobs Act signed into law on December 22, 2017, and are the same as those in the Craft Beverage Modernization and Tax Reform Act, legislation championed by the Brewers Association.

Additional guidance and resources will continue to be added to TTB's Craft Beverage Modernization and Tax Reform web page in the coming weeks.

The Improbable Prohibition Agents Who Outsmarted Speakeasy Owners

History

By George Pendle

January 16, 2018

Isadore Einstein, known as “Izzy” to his friends, was no one’s idea of a G-man. Short, fat with numerous chins and thinning hair, he was so rotund that the great crime writer, Herbert Asbury, described his belly as moving “majestically ahead like the breast of an overfed pouter pigeon.” With his thick round spectacles perched on his nose, Izzy had all the looks of your below-average Joe. But it was precisely this unprepossessing appearance that would make him, and his similarly schlubby friend, Moe Smith, the greatest federal agents of their age.

That age was Prohibition. It’s a period that nearly 100 years on still seems like a fantastical blip in America’s history. From 1919 to 1933, the Eighteenth Amendment of the United States Constitution declared it illegal to produce, transport or sell alcohol, the result of years of lobbying by the Anti-Saloon League and the Women’s Christian Temperance Union. It had been thought the decree would instill a more peaceable character onto the nation. However those 14 years saw the United States at its loudest, most violent and perversely, most entertaining. It was Prohibition that made the era roar.

When Prohibition went into effect in January 1919, Izzy Einstein lived on New York’s Lower East Side, struggling to keep his wife and four sons fed on a postal clerk’s salary. Reading in the newspaper that the newly created Prohibition Unit was looking for agents, he went down to the local bureau and applied. As Izzy recounted in his wisecracking memoir, Prohibition Agent No. 1, the bureau chief looked him up and down and told him he “wasn’t the type.”

But Izzy was not easily dissuaded. He argued that looking like an everyman was exactly what was needed in this dry new world. Moreover, although he had no gumshoe experience, Izzy insisted he understood people. He had been a salesman and could mix with people and gain their confidence. The bureau chief bought the argument and Izzy was given a badge and thrust out onto the mean streets of New York to sop up the booze that poured through the city’s speakeasies.

Izzy’s lack of detective training proved to be something of a boon on his first assignment. In order to get a search warrant agents needed proof that alcohol was being sold on the premises. But to get this proof they had to gain access. A notorious speakeasy in Brooklyn had easily spotted any prohibition agents trying to enter. They were not prepared for Izzy, however. He walked up to the joint and banged on the door. A peephole slid open and a gruff voice asked who he was.

“Izzy Einstein,” he responded. “I want a drink.”

“Oh yeah? Who sent you here bud? What’s your business?”

“My boss sent me,” Izzy explained. “I’m a prohibition agent. I just got appointed.”

The door swung open and the doorman slapped him on the back. “That’s the best gag I’ve heard yet.” Once inside the bar, Izzy showed the crowd drinking there his federal badge, leading the bartender to exclaim, “it looks just like the real thing,” which of course it was.

Izzy’s only misstep during his first bust was drinking the whisky he ordered. Physical evidence was needed that a sale of alcohol had been made, and that evidence couldn’t be in an agent’s belly. When he announced himself as a federal agent, the bartender grabbed the bottle of whisky and fled out the back door.

To prevent any further evidence from disappearing, Izzy designed a small funnel to fit into the pencil pocket of his vest. It was connected by tube to a little bottle hidden in the vest’s lining. From then on Izzy would take a sip of the booze he bought, and when the bartender turned his back, would toss the rest of the drink into the funnel. He became so good at this, he boasted, that people standing right behind him did not suspect his sleight of hand. Once “drunk,” Izzy would then go to the restroom, cork the bottle, jot down the name of the bar and the time of sale on its side, and there was the evidence ready to be presented in court.

Being himself proved to be Izzy’s masterstroke. There were no less than 20 occasions when Izzy knocked on a speakeasy door, his federal agent badge pinned to his chest, and asked, “Would you like to sell a pint of whiskey to a deserving prohibition agent?” Everyone took him to be a comedian. On other occasions it was his ability to look like an average guy on the street that gained him admission. Speakeasies would open their peepholes to see a fat, short man in dirty overalls mopping his forehead, or carrying a fishing rod, or a pitcher of milk.

Carrying something was, Izzy boasted, often the only trick he needed. A barrel of pickles was a favorite prop because, as he said, “Who’d ever think a fat man with pickles was an agent?”

But sometimes more ingenuity was needed, and with his friend Moe Smith, whom Izzy cajoled into giving up his job as a cigar salesman, Izzy dressed in a series of true-to-life disguises to gain access into speakeasies. “I went after the places that were supposed to be ungettable. And got them,” he wrote.

They drove a coal wagon through the Upper East Side, netting 16 bartenders in one hour. They sold fruit and vegetables in the Bronx and ice in Brooklyn in order to wheedle their way behind the locked doors of illegal bars. They carried thick legal books into booze-serving restaurants frequented by lawyers, and dressed in white coats to gain access to a speakeasy frequented by doctors near Mount Sinai Hospital. On a cold winter night Izzy stood in his shirt-sleeves outside a speakeasy until his teeth were chattering. Moe then half-carried him in shouting, "give this man a drink!" The bartender poured out a shot and Moe booked him.

One time Izzy walked into a restaurant frequented by musicians with a trombone under his arm. He was asked to play a song and performed such a moving rendition of the Prohibition standard, "How Dry I Am," that the bartender and waiters rushed to pour him a drink and he, thanking them, promptly arrested them. As one contemporary magazine put it, "A day with Izzy would make a chameleon blush for lack of variation."

New York at the time was awash with booze. Prohibition was largely an idea born in America's religious rural heartland, and many cosmopolitan city dwellers resented it being imposed on them. Nowhere was this more the case than in New York, the wettest of wet cities, where speakeasies, cabarets and restaurants served alcohol under the protection of corrupt policemen, and a bottle of bathtub gin could be procured at any number of "blind tigers"—storefronts that purported to be pharmacies or fruit stores, but which sold booze under the counter.

Moe Smith (on left in top picture, on right in the bottom one) and Izzy Einstein shown in disguises they used to infiltrate speakeasies. (Credit: Underwood and Underwood/The LIFE Picture Collection/Getty Images)

Moe Smith (on left in top picture, on right in the bottom one) and Izzy Einstein shown in disguises they used to infiltrate speakeasies. (Credit: Underwood and Underwood/The LIFE Picture Collection/Getty Images)

In many ways, Izzy and Moe were doing the public a service. Much of the booze sold during Prohibition was nasty stuff: denatured ethanol alcohol redistilled, colored and put in a bottle with a fake label. There was also fake scotch made from lice killer, and "squirrel whiskey" made from potatoes, cabbage and old rope.

The bootleggers were ingenious. Izzy and Moe discovered car tires filled with booze, moonshine stills hidden away in old stables, a taxidermied bear stuffed with whisky bottles, and a ring of fake rabbis selling sacramental wine to their supposed congregations. Izzy and Moe were relentless in their work, driven more by the thrill of the chase than their morals. Although they were enforcing an unpopular law, the way they did it was done with such joie de vivre and cleverness that few could begrudge them their job.

The press hung on their every exploit, and wisecracking Izzy and taciturn Moe would tip them off to busts and indulge in ever-crazier deceptions, such as the time they posed as a husband and wife, to bust an illegal liquor joint. One newspaper declared they were "as famous in New York City as the Woolworth building." But being famous had its setbacks. Soon speakeasies started pinning up pictures of Izzy and Moe on their walls. One bar in upstate New York, knowing Izzy was Jewish, demanded newcomers taste a ham sandwich before being served. None of this perturbed Izzy however. At the upstate bar he accepted the sandwich cheerfully and as he went to eat it, carefully blew the ham out of the sandwich.

Unlike many federal agents, Izzy and Moe were never on the take and thus beholden to no one. But they weren't always thanked for their incorruptibility. Their superiors in Washington, D.C. resented their popularity. So did their colleagues. The sheer volume of arrests they made—often 20 or 30 bootleggers before breakfast—made other Prohibition agents look bad.

In November 1925 the pair were among 35 Prohibition agents fired by the new Prohibition administrator because they "did not measure up to the standards of efficiency." Such a claim was clearly bogus. In five years Izzy and Moe arrested some 4,932 sellers of alcohol, accounting for nearly two-thirds of all Prohibition arrests in New York City. Even Eliot Ness fighting Al Capone's mob in Chicago couldn't match Izzy and Moe's success rate.

The "master-minds of federal rum-ferrets" were forced into another career: selling life insurance. Fortunately they were good at that too. Indeed Izzy liked to boast that many of his policies were sold to the very bootleggers he had arrested just a few years before.

This email and any files transmitted with it are intended solely for the use of NABCA members, free-of-charge. If you do not wish to receive this daily service, please respond with "UNSUBSCRIBE" in the Subject line. In addition, if there is another individual within your company who should also be receiving this service, please forward their NAME, TITLE, EMPLOYER, and EMAIL ADDRESS to communications@nabca.org. Thank you for your time and attention as we continue to work to improve upon the services and benefits that we provide to our members. Please note that any views or opinions presented in this email are solely those of the author(s) and do not necessarily represent those of the National Alcohol Beverage Control Association.
