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NC: Why we should keep our ABC system of selling alcohol

The News & Observer
By Joseph E. Wall
August 16, 2018

North Carolina's alcoholic beverage control (ABC) system has served our citizens well for many years, and we should resist all efforts to privatize the system. As a society, do we really want to flood our state with more alcohol? The "C" in ABC stands for "control." While making bottled liquor available to adult consumers who wish to purchase the product, our current ABC system also emphasizes control and moderation.

Privatization would result in a substantial increase in the number of liquor outlets, which would result in more sales and more consumption, but at what cost to society? For many products, increased sales and consumption are acceptable marketing goals, but when the product is alcohol, control and moderation are equally important.

In North Carolina's system, state and local government control the sale of bottled liquor. The current system provides more than just control, however. It also ensures that liquor is conveniently available while promoting moderation, producing revenue, and deterring sales to underage buyers.

In North Carolina, revenue from the sale of distilled spirits goes to state and local governments. In states where the system has been privatized, such as neighboring South Carolina, distilled spirits are sold by private businesses, and the profits go to the owners. In both systems (governmental and private), excise and sales taxes generate substantial amounts of tax revenue.

North Carolina's ABC system is entirely self-funded. ABC store employees are not state employees, and the ABC system is not a drain on the state's resources. The ABC system contributes millions of dollars each year in tax revenue to the state's General Fund. If you do not purchase distilled spirits, the current ABC system does not cost you a dime. On the other hand, the current system provides a valuable service to the citizens of the state, both those who imbibe and those who do not.

In North Carolina, local ABC boards provide a significant amount of revenue not only to the state's general fund but also to local governments. Last year the Wake County ABC system produced over $30 million in state taxes. The Wake County board paid over $10 million to Wake County, the City of Raleigh, and the surrounding towns in Wake County.

If the ABC system is privatized, citizens may see their property taxes increase if local governments have to scramble to replace those dollars. Some, but far from all, of the loss may be offset by taxing property currently owned by local ABC boards, but many store locations across the state are leased and are already on the tax rolls.

Local ABC boards also provide vital financial support to agencies that provide alcohol education and rehabilitation services to the public. For example, last year the Wake County ABC system was one of the principal financial supporters of the Wake County Alcohol Treatment Center, Healing Transitions, Southlight Treatment Center, and the Raleigh Rescue Mission, as well as a number of other organizations.

North Carolina's current ABC system provides a good balance of revenue production and control. According to the State ABC Commission's most recent annual report, total revenue distributions by city and county ABC boards last year amounted to well over $400 million.

Control and moderation have been important concerns in North Carolina ever since Prohibition was lifted. Alcohol is not just another commodity. Convenience and pricing are issues that merit consideration in the marketing of any product, but when it comes to the sale of alcoholic beverages the public's interest in control and moderation is paramount.
Our current ABC system has remained essentially unchanged for many years because it has provided our state's citizens with a good balance of control, ABC law enforcement, and revenue. It is a control system worthy of preservation, and worthy of your support, whether you are an ABC store customer or not.

Joseph E. Wall is executive director of the NC Association of ABC Boards.

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**OR: Air quality spurs concern in Oregon wine industry**

FOX 12 KPTV
Reporter Marja Martinez
August 16, 2018

AURORA, OR (KPTV) - Wildfires burning in California and southern Oregon have recently draped a blanket of haze over the Portland metro area, and more specifically, countless vineyards.

And there’s concern the weather could impact wine production.

While wildfires can affect production locally, smoke can have a more wide-reaching effect, and growers say they’ve certainly seen more of it in recent years.

Over an extended period of time, haze can alter the taste of grapes.

According to winemaker David Anderson, the northern Willamette Valley has been lucky so far this season.

But close to the Oregon-California border, that's not the case.

Anderson told FOX 12 he's noticed that with each passing season, the threat to local wineries is becoming more imminent.

He said last year was especially bad, with close to a full week of smoke in the air.

"When I first started in this industry this was not even talked about," Anderson explained. "It's definitely something that's on the mind of wine growers, wine makers and the industry as a whole... till we figure out some sort of solution."

Anderson has been making wine since the early 80s, and said he's never had a crop ruined or altered by smoke, but he's concerned changes in the climate may eventually break his streak.

Anderson said that because the wine industry is so big here in Oregon, any financial impacts it experiences can have a ripple effect on the local economy.

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**WV: Daily Mail editorial: In-state microbreweries making WV great again!**

Daily Mail WV
August 16, 2018

Beer, wine and spirits drinkers — as well as teetotalers who want to see West Virginia’s economy grow and thrive — should all offer a toast to the 2015 West Virginia Legislature.

That is the year lawmakers tapped the keg, so to speak, on growing the West Virginia beer and spirits industry.

Not that the industry wasn’t growing already, like it was across the nation, but its growth in West Virginia was shackled by antiquated laws that overregulated the production, sale and consumption of beer and other alcoholic beverages.

"Currently laws in West Virginia are significantly more restrictive than those of our surrounding states," Charleston East End Main Street Director Ric Cavender told a 2015 legislative committee considering Senate Bill 273, then known as the “Growler Bill.” "Of course this puts West Virginia at a disadvantage to attract new visitors and tourists."
The Legislature passed and Gov. Earl Ray Tomblin signed the Growler Bill, as well as Senate Bill 574, which for local distillers drastically reduced taxes that had made them non-competitive with national and international distillers.

Now that three years have passed, the legislation shows what West Virginians are capable of doing when government removes barriers and unnecessarily high costs for local entrepreneurs who have the fortitude, the passion and energy to turn their ideas into profitable ventures.

Gazette-Mail reporter Max Garland’s feature story on the West Virginia craft brew industry in today’s Daily Mail WV explains that jobs, revenue, tourism and fun are booming thanks to craft brew. In 2011, there were only five craft breweries in West Virginia, while there are about two dozen today.

But those two bills passed by lawmakers in 2015 were not just about beer and spirits. They were about encouraging entrepreneurship, investment, guts and economic growth. They were about a different approach to new business creation — seeing it as beneficial for the state instead of something needing to be heavily regulated or punished for being outside the state’s traditional economic structure. And that’s good for the state’s citizens, whether they enjoy alcoholic drinks responsibly or never touch the stuff.

But the state shouldn’t limit these types of changes to just brewers and distillers. Lawmakers, policymakers and citizens must continue to look for other types of commerce to free from rules and regulations that inhibit growth, investment and entrepreneurship. Who knows what could be the next disruptive, creative, exciting and burgeoning industry if given the freedom from overregulation and old attitudes that stifle creativity?

So the question this poses for West Virginia beer drinkers is — are we supporting our own state’s local brewers? Check your refrigerator. Is it stocked with boring beers brewed somewhere else by internationally owned conglomerates with big advertising budgets and lots of grocery store shelf space?

But those beers are cheaper, you might say. Of course they are. Their companies have financial backing and distribution and sales networks established over decades — aided in part by past laws that discouraged local brewing.

For beer drinkers who have consumed the same brand for years, we suggest trying local brews. You’ll find them different and flavorful. Once you get used to the richer flavors, you won’t go back.

It is important to support our local brewers because it is the determination, the guts, the hard work and the entrepreneurial spirit of the state’s craft brewers who are the folks making West Virginia great again.

For the sake of the state’s economy, drink local!

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NY: Group wants liquor authority to stop issuing licenses, says the city has too many bars

PIX 11
By Cristian Benavides
August 16, 2018

LONG ISLAND CITY, Queens - Long Island City has become one of New York City’s hottest neighborhoods.

The impending shutdown of the L train causing a mass exodus in Williamsburg has the Queens neighborhood becoming more popular by the day.

For some residents, those growing pains come with some huge headaches because a lot of those new businesses opening up - are bars.

A coalition of New Yorkers is now trying to stop the State Liquor Authority from issuing new licenses based on an old 1993 law. It prohibits a licensed establishment from being within 500 feet of three other ones.

In a statement to the New York Times, who first broke the story, the state’s liquor authority said it "takes a balanced approach in our review process, weighing the merits of the individual application."
AZ: Bootlegging on the Rise
Lake Powell Life
By John Christian Hopkins
August 16, 2018

The Navajo communities near Sanders, Ariz., seem to be experiencing an increase in bootlegging activities lately. That’s what Arizona Department of Liquor Licenses and Control detective Herb Carruthers told the Navajo Nation Council’s Law and Order Committee this week.

Carruthers said reports of non-medical transport vehicles bringing alcohol into the Navajo Nation are rising. The Navajo communities of Houck and Nahata Dziil are located near Sanders, which is approximately 46-miles southwest of Window Rock.

“A few years ago, the Navajo communities surrounding Sanders took the initiative to close the nearby bars and liquor stores,” LOC Vice Chairman Raymond Smith, Jr., said. “However, we face new challenges of others importing alcohol into the communities.”

After the local liquor stores were closed, there was been an increase in bootlegging in the area, Carruthers said. He said there was reports of non-medical transports bringing alcohol onto the reservation.

Houck and Sanders are right off of Interstate 40.

Community members have asked Navajo police to help prevent this, Smith said.

Delegate Otto Tso appreciated Carruthers taking the time to give his report to the LOC.

“It’s very rare that we receive reports from outside entities regarding alcohol,” Tso said. “We appreciate the report and the willingness of the department to develop a partnership with the Nation to address liquor control.”

Though Arizona Department of Liquor Licenses and Control officers have observed suspicious non-medical transport vehicles entering the reservation his office lacks jurisdiction to pursue them on the reservation, Carruthers said.

Smith suggested that the tribe and state work out a memorandum of agreement to allow state liquor enforcement officers to pursue bootleggers on the reservation.

INTERNATIONAL NEWS

New Zealand: Alcohol packaging needs warning for pregnant women, experts say

TVNZ
August 17, 2018

Experts working with sufferers of foetal alcohol spectrum disorder want explicit warnings on packaging stating the dangers of drinking while pregnant.

It is estimated that 600 children are born every year with foetal alcohol spectrum disorder (FASD).

The Growing Up in New Zealand study showed a quarter of the women taking part continued to drink in the first trimester of their pregnancy, while 13 per cent continued to drink further into pregnancy.

But neuropsychologist Valerie McGinn - who gave evidence on foetal alcohol damage at the Privy Council hearing that quashed Teina Pora's rape and murder convictions - wants labels to say drinking permanently harms the brain of unborn children.

"You see all these advertisements put out by the alcohol industry to sell this drug and it’s not showing you all these brain damaged children in classrooms completely nutting off because they can't cope any longer, and smashing windows and hitting people.
"It's showing you glamorous people sitting at dinner parties."

At the moment, the warnings on alcohol products are voluntary and general.

The labelling of alcoholic products comes under food labelling regulations and the Ministry for Primary Industries (MPI).

When asked about warnings and the possibility of making them stronger, MPI supplied a statement.

"Given there is no set warning, many producers opt for a pictogram with additional wording such as, 'It is safest not to drink while pregnant'," it said.

"Whether to continue with a voluntary scheme or whether to make this mandatory is currently under active consideration by the trans-Tasman Ministerial Forum.

"A decision is likely to be made later this year."

But Children's Commissioner Judge Andrew Becroft said he wanted a nationwide advertising campaign telling people pregnant women and those wanting to conceive should not drink.

There was no proven safe level of alcohol consumption during pregnancy, he said.

"We have a strong and well-resourced liquor lobby in New Zealand and, in my own view, you could say it was akin to the gun lobby in the States."

It campaigned to influence government policy, he said.

He wants the Government to commit to a prevalence study to find out how many New Zealanders struggle with some level of brain damage caused by alcohol.

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Europe: Distilled Spirits Overconsumption as the Most Important Factor of Excessive Adult Male Mortality in Europe

Oxford Academic
Andrey Korotayev, Daria Khaltourina, Kira Meshcherina, Elena Zamiatnina
August 3, 2018

Abstract

Aims

To explain comprehensively variations in adult male mortality rate in Europe, and in particular, high mortality in some East European countries with particular focus on specific patterns of alcohol consumption.

Short summary

Per capita distilled spirits consumption is found to be the strongest determinant of the adult male mortality rate in Europe as soon as the unrecorded alcohol consumption is taken into account. It turns out to be much stronger than the other tested significant determinants such as per capita health expenditures, smoking prevalence, consumption of hard drugs and per capita consumption of vegetables and fruit.

Methods

Ordinary least squares (OLS) multiple regression with adult male mortality rate as a dependent variable, and various indicators of alcohol and drug consumption as well as logarithm of gross domestic product (GDP) per capita, logarithm of total per capita health expenditures, latitude (climatic factors), per capita fruit and vegetable consumption, smoking prevalence as independent factors.

Results

Per capita distilled spirits consumption turns out to be the strongest determinant of the adult male mortality rate in Europe as soon as the unrecorded alcohol consumption is taken into account. It turns out to be much stronger
than the other tested significant determinants of the adult male mortality rate such as per capita health expenditures, smoking prevalence, consumption of hard drugs and per capita consumption of vegetables and fruit. Still, higher per capita wine consumption has turned out to be a marginally significant determinant of the higher adult male mortality rate in some tests. Latitude, beer and soft drug consumption have turned out insignificant in this study.

Conclusions

Spirits consumption is a major risk factor of adult male mortality, with significantly greater impact compared to beer and wine. Therefore, reduction in distilled spirits consumption in hard liquor drinking areas should be a major target in health policy.

Alcohol and Alcoholism, agy054,https://doi.org/10.1093/alcalc/agy054

INDUSTRY NEWS

Open trade between provinces best solution for craft beer dispute, says Wood Buffalo Brewing co-owner

“It would be better for consumers and Canadians in general if we had more open access across the country,” said Brett Ireland, co-owner of the downtown brewery and CEO of Bearhill Brewing.

Fort McMurray Today
By Vincent McDermott
August 16, 2018

The owner of the company that operates Wood Buffalo Brewing Co. says many of the trade disputes between Alberta’s craft brewers and competitors from other provinces would be solved if Canada had open borders for trading and selling beer.

“It would be better for consumers and Canadians in general if we had more open access across the country,” said Brett Ireland, co-owner of the downtown brewery and CEO of Bearhill Brewing. “Open markets across Canada is better for everybody, but that’s easier said than done.”

Ireland was commenting on two legal decisions impacting Alberta’s craft beer industry that came out earlier this summer.

In June, a Court of Queen’s Bench justice ruled Alberta’s markups on craft beer brewed in other provinces were unconstitutional.

The lawsuit against the Alberta Liquor and Gaming Commission was triggered by Toronto-based Steam Whistle Brewing, after the markup was introduced in 2015.

While the markup system was altered a year later so all brewers would pay similar rates, the province created a separate grant system for local small brewers. At that point, Saskatchewan-based Great Western Brewing also sued the province.

Premier Rachel Notley says the province is appealing the ruling, which came on the heels of another hurdle for Alberta brewers.

In June, a trade panel ruled the province had violated interprovincial trade rules, after Calgary-based importer Artisan Ales Consulting argued the grant program put them at a disadvantage and led to slower sales of beer brewed outside Alberta.

After this ruling was announced, UCP Leader Jason Kenney said he supported free trade for beer across Canada.

In July, Canada’s premiers agreed in principle to reduce trade barriers on how much alcohol can move across provincial and territorial borders at a meeting in New Brunswick. No timelines or details on permits were announced, though.
Ireland says he is eager to see how the appeal turns out. He also says Bearhill and Wood Buffalo Brewing were not seriously impacted by the changes the Alberta NDP brought in, but argues it encouraged a renaissance for the province’s beer scene.

In the five years since that Alberta Small Brewers Association was founded, the group says the industry has grown five-fold. The Conference Board of Canada says at least 13,000 Albertans were employed by the beer industry as of 2016.

“Historically, if you were going to build a brewery, you were crazy to do it in Alberta,” he said. “To some degree, it was a dumping ground and an easy market for all these other brewers and as a result, we had no brewing industry while it was exploding everywhere else.”

However, Ireland rejects the argument that protectionist policies would protect Alberta’s beer scene from out-of-province competitors.

“I think if we had open borders, we’d see a lot more beer brewed in the province and a lot of brewers taking advantage of the skilled labour force here,” he said. “You’d see a lot more brewers here sooner if there was open borders and further-reaching business plans.”

-with files from The Canadian Press

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**Why alcohol companies are betting on cannabis**

San Francisco Chronicle  
By Michael J. de la Merced  
August 16, 2018

What does a beer company do to hedge against slowing growth in its main business? In the case of the parent company of Corona, the answer is to invest heavily in the marijuana industry.

Constellation Brands, which also makes Robert Mondavi wine and Svedka vodka, announced Wednesday that it had invested $4 billion in Canopy Growth, a publicly traded Canadian cannabis producer. The deal comes nearly 10 months after Constellation first took a 10 percent stake in Canopy to help create nonalcoholic cannabis-infused drinks and other products.

Constellation’s investment in Canopy, the biggest known deal in the marijuana industry, shows just how far traditional alcoholic beverage companies are willing to go to find growth. As sales of beer fall in the United States, brewers have begun to bet that legalization of marijuana around the globe, especially the United States, will continue to build momentum and sales of cannabis products will take off.

Research firm Euromonitor estimates that the U.S. market for legal marijuana products will reach $20 billion by 2020, up from $5.4 billion in 2015.

While a number of states have legalized the recreational use of marijuana in recent years, purchasing or possessing it remains a federal crime. Constellation said in November that it does not plan to sell cannabis products in the United States while it remains illegal on the federal level.

But as cannabis becomes legal in more countries — in Canada, for example, recreational use will become legal on Oct. 17 — alcoholic beverage companies are trying to buy into the cannabis industry before they become disrupted by it.

How concerned are beer companies? Molson Coors listed legal cannabis among the biggest possible risks to its business in its annual shareholder report earlier this year:

“The emergence of legal cannabis in certain U.S. states and Canada may result in a shift of discretionary income away from our products or a change in consumer preferences away from beer.”
So far Heineken and Molson Coors have moved to sell cannabis-infused drinks. Heineken’s Lagunitas brand has started selling nonalcoholic sparkling water featuring THC, the active component of marijuana. And Molson Coors has formed a joint venture with Hydropothecary, a weed producer, to make cannabis-infused beverages.

Under the terms of Wednesday’s deal, Constellation’s stake in Canopy will increase to 38 percent and Constellation has the right to raise that to 50 percent.

“As the leader in the total beverage alcohol space, we look forward to reaping the benefits of our cannabis investment, which we see as incremental to our core beer, wine and spirits portfolio,” Robert Sands, Constellation’s chief executive, told analysts on a call Wednesday.

But such bold moves still face a number of hurdles. The Justice Department under Attorney General Jeff Sessions has toughened its stance on marijuana-related crimes, making the future of cannabis regulation uncertain.

**DAILY NEWS**

**Colorado, Arizona State joining trend to expand alcohol sales at games**

NBC Sports  
By Bryan Fischer  
August 16, 2018

Pac-12 football after dark could take on a whole new meaning going forward in both Tempe and Boulder.

According to the Arizona Republic and The Denver Post, both Arizona State and Colorado are joining in on college football’s latest trend by expanding beer and wine sales to each of their respective stadiums’ general concourse areas.

“Coinciding with the reinvention of Sun Devil Stadium, and aligning with local and national sports and entertainment venues, we are continuing to enhance security measures for the safety of our fans, while also offering expanded concession options,” ASU athletic director Ray Anderson said in a statement. “These impending enhancements, compiled with the most unique stadium setting in college football, continues to transform Sun Devil Stadium into truly a one-of-a-kind fan atmosphere.”

Both venues used to sell alcohol during games but did away with the policy for well over a decade, eventually bringing it back in limited aspects in recent seasons. For example, the Buffs installed two beer gardens in 2014 per the Post.

Now the Pac-12 South schools will join many of their league peers in opening up the taps for the majority of fans at home games. Just this offseason, Arizona, Oregon and Oregon State all expanded beer and wine sales to general seating while also making changes to entry/exit policies to help out with security as well. The moves are no doubt designed to add a new revenue stream to everybody’s coffers but the side effect of less binge drinking during games is certainly part of the equation as well.

That’s all good news to those who like to enjoy a nice beverage during games this season, especially if the Sun Devils and Buffs endure a rough outing or two at home this year.

**‘Drink and Drive, You Lose’ campaign**

Lexington Clipper-Herald  
By Brian Neben  
August 14, 2018

LEXINGTON — The Lexington Police Department, along with other state and local agencies, will participate in the 2018 You Drink and Drive, You Lose campaign which starts Friday and runs through Sept. 3.
Local agencies participate in High Visibility Enforcement during the campaign — a universal traffic safety approach designed to create deterrence and change unlawful traffic behaviors.

Drivers may be arrested and convicted of driving under the influence (DUI) if they have a blood alcohol concentration (BAC) of 0.08 percent or higher, 0.04 percent if operating a commercial vehicle, or 0.02 percent if they are younger than 21. Depending on circumstances of a DUI, the arresting officer or judge may issue a DUI even if one’s BAC was within legal limits, according to the Nebraska Department of Motor Vehicles website.

A first offense for DUI carries the penalties of 10 days in jail, a $500 fine and drivers licenses revocation for six months. A driver may have their licenses revoked for one year if they refuse to take a breathalyzer test. If a driver takes a breath test and fails then the license may be suspended or revoked for 180 days, according to the DMV website.

During last year’s Drink Drive campaign, the LPD arrested three drivers who were under the influence of alcohol and issued 14 citations for no operator’s license, 32 speeding warnings and 83 other traffic offense warnings.

According to the Nebraska Department of Transportation report, the Dawson County Sheriff’s Office issued 10 citations for speeding, three citations for driving under suspension, two citations for minor in possession, two citations for open container and one safety belt citation. The DCSO also issued five citations for possession of marijuana and drug paraphernalia.