

ABL Insider

A PUBLICATION OF THE AMERICAN BEVERAGE LICENSEES | VOL. 4, NO. 4 | FALL 10



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9th Annual ABL Convention
June 12-14, 2011 • Milwaukee, WI
Hilton Milwaukee City Center

ABL Insider

A PUBLICATION OF THE AMERICAN BEVERAGE LICENSEES | VOL. 4, NO. 4 | FALL 10

a word before

ABL Names John D. Bodnovich Executive Director

American Beverage Licensees (ABL) President David Jabour announced November 1 that John D. Bodnovich had been selected as ABL Executive Director, effective immediately.

“We are tremendously excited to have John, with his industry knowledge and dedication to the retail tier, leading ABL,” said Jabour.

“The ABL Board of Directors is looking forward to the energy he will bring to the association as it continues to serve as a voice for America’s beer, wine and spirits retailers on Capitol Hill and in the forum of public discourse.”

Bodnovich joined the ABL staff seven years ago, and was named Director of Communications & Public Affairs in 2008.

As Director of Communications & Public Affairs, Bodnovich worked closely with ABL’s thirty-five state and regional affiliates, representing nearly 20,000 on- and off-premise beverage licensees, on overseeing grass roots programs and communications strategies on behalf of beverage alcohol retailers.

Bodnovich’s responsibilities also included developing ABL’s federal government affairs program, including ongoing federal advocacy efforts on beverage alcohol and retail business policy.

During his time with ABL, Bodnovich has worked on a variety of association programs and initiatives including membership and responsibility campaigns, as well as public awareness and policy efforts addressing alcohol issues.

He is also the designer and editor of the *ABL INSIDER*, ABL’s quarterly magazine.

“I’m honored to have this opportunity to serve ABL and its membership,” said Bodnovich.



“I look forward to working with ABL’s affiliates and allied supporters to promote America’s beverage licensees and our great industry.”

A native of Illinois, Bodnovich is a graduate of the University of Notre Dame where he earned a B.A. in Government & International Relations.

Bodnovich holds a Master’s degree in Political Management from the Graduate School of Political Management at The George Washington University. He serves as the President of the Metro D.C. chapter of the World Association of Alcohol Beverage Industries and on WAABI’s national board of directors.

He is a resident of Washington, D.C. |

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executive director,
JOHN BODNOVICH
director, trade relation & operations
SUSAN DAY DUFFY

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Voters Reject Alcohol Chaos in Washington State

On November 2,

Americans went to the polls for what turned out to be historic mid-term elections.

While most voters were choosing their U.S. Senators and Representatives, as well as their state and local officials, in some places, voters were also tackling the issues via direct democracy.

The growth of the ballot question or referendum or initiative for state issues seems to be increasing at a time when many state legislators prefer not to make hard decisions that will inevitably alienate a frequently evenly split electorate.

This is political preservation at its most basic, while at the same time a less considered approach to lawmaking.

Instead of debate and hearings, public relations, sloganeering and voter education become paramount.

Instead of being faced with lobbying a legislative body or a targeted committee, those interested in the issue at hand instead need to lobby the entire voting public.

To say this can be a costly task in an understatement

In Washington State this year, two ballot questions centered on the state's role in the sale and distribution of beverage alcohol.

I-1100, which was supported by big-box retailers such as Costco, would have forced the Washington State Liquor Control Board to "close all state liquor stores; terminate contracts with private stores selling liquor; and authorize the state to issue licenses that allow spirits (hard liquor) to be sold, distributed, and imported by private parties.

It would've repealed uniform pricing and certain other requirements governing business operations for distributors and producers of beer and wine. Stores that

held contracts to sell spirits could've converted to liquor retailer licenses."

The initiative also called for local jurisdictions throughout the State to determine how many outlets they would allow in their city via zoning regulations.

I-1105, which was supported by some beverage alcohol distributors, would have "closed all state liquor stores and licensed private parties to sell or distribute spirits. It would've revised laws concerning regulation, taxation and government revenues from distribution and sale of spirits."

Both ballot questions were defeated. What this means to me is that there is a clear understanding by adults and consumers that simply casting aside alcohol regulatory framework for a

completely unfettered marketplace with little or no regulation is not the answer.

A similar backlash has occurred in Virginia where the governor has made privatization of state-run liquor stores a centerpiece of his agenda. Despite support from many voters, an ill-gotten plan has left a lot of questions unanswered and thwarted privatization attempts.

Consumers and beverage retailers desire a marketplace in which there is competition and fairness, but not at the cost of an orderly means of producing, distributing and selling a product that, if misused, can have negative consequences.

As retailers, we want to provide choice and options to our customers. Choice and service are what set aside independent alcohol retailers from faceless, corporate behemoths with strictly limited SKUs and without dedicated and knowledgeable sales staff who can help customers find exactly what they want.

Yet in what some have identified as a burgeoning era of anti-government sentiment, the argument over a state's control of alcohol sales and/or distribution has come under increased scrutiny.

Generally, there is something to be gained by analyzing processes and determining where efficiencies can be

improved.

But when thoughtful analysis is used to mask ulterior motives of complete demolition of a proven and secure system, trust is lost.

Just as Prohibition was a mistake on one end of the spectrum, a complete dismantling of the regulatory structure of beverage alcohol would be a mistake at the other end.

This is not to say that the Three-Tier System is a monolithic entity. Changes

“Just as Prohibition was a mistake on one end of the spectrum, a complete dismantling of the regulatory structure of beverage alcohol would be a mistake at the other end.”

are made to alcohol laws and regulations every year through state legislative processes and in cooperation with state alcohol beverage control agencies.

Indeed, there is a vibrant local flavor of the laws in the states that reflect the values and culture of that state's residents.

At the same time, we work at the federal level to assure that when and where appropriate, there is federal action on alcohol issues.

We have to be involved at both the state and federal levels because the stakes so high. And I don't mean in a monetary sense, but in the battle for public opinion and for the well-being of our industry.

It's why our industry producers have voluntary advertising restrictions. It's why our industry's distributors have policies in place to make sure that fresh and safe products are on our shelves and our bars.

It's why retailers work hard to abide the law and sell beverage alcohol products responsibly. And it's why our society continues to reject alcohol chaos. |



1. San Juan 2. Island 3. Kitsap 4. Mason 5. Thurston 6. Wahkiakum 7. Columbia 8. Garfield 9. Asotin



Awarded Platinum Best In Class SIP Medal

The people have spoken and awarded 360 Double Chocolate the Platinum - Best in Class SIP medal! The SIP Awards is the only international spirits competition leveling the playing field for established brands and newcomers alike by enlisting consumers as judges.

360 Double Chocolate,
member of the world's first Eco *Friendly* Flavored Vodka Series.

Introducing the newest flavor of the world's favorite spirit, 360 Double Chocolate. Made with Quadruple-Distilled, Five-Times Filtered vodka. It's chocolate just like you want it—deep and deliciously seductive. That's the irresistible result of pairing smooth 360 Vodka with a double dose of sweet white chocolate, and rich dark chocolate flavor. Give it a twist of fruit, or add a splash of cream. Either way, it's a sweet, chocolaty dream in a glass. Presented in 85% recycled bottles with unique, reusable closures. Eco-friendly, from design to debut. Stand out from the ordinary, with the world's first Eco-Friendly Flavored Vodka Series.



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Building on ABL's Solid Foundation

Since the last

ABL Insider landed in mailboxes and inboxes, a lot has taken place.

With the sad and unexpected passing of ABL executive director Harry Wiles, the association was dealt a blow it had never felt before.

Fortunately, through the guidance and leadership of the ABL Board of Directors, and thanks to the procedures and policies that Harry helped put in place, hardly a beat was missed as we picked up the torch he carried to represent the interests of beverage licensees.

ABL's Fall Board of Directors meeting took place in Boston this past October and I was honored and humbled to be offered and accept the position of executive director of this proud organization.

After spending the last seven years with ABL, I am truly excited and energized to take on the challenges of leading our diverse and engaged membership as we face the realities of an ever-evolving beverage alcohol landscape.

There is a lot of potential for ABL and independent beverage retailers in general.

The businesses that comprise our tier in the Three-Tier System of beverage alcohol production, distribution and sales are by no means the richest.

But they are the greatest in number and the most in-touch with American consumers.

ABL members are where the rubber meets the road as they are the last to handle the industry's products before they reach the consumer.

ABL's strengths lie in its membership base and its willingness to engage key decision makers in their communities – be they federal, state or local elected officials, regulators, the media, social media networks or their friends and neighbors.

ABL's members are the face of the industry and this is not lost on anyone.

The foundation that ABL is built on is solid. We have grown as an association over the past eight years to become a strong advocate for retailers, but our work is far from finished.

ABL must continue to increase its value to its members at a time in America when we are all taking a second look how we spend our money.

Looking for savings and finding value is a sentiment that is not foreign to anyone these days.

The question that is being asked at kitchen tables, in business meetings and even in the halls of Congress is, "What goods and services provide the greatest value for our hard-earned money and work?"

Nationally, experts tell us that the country is on its way out of a recession though not quite where it needs to be in terms of jobs and unemployment.

Historic midterm elections have swept a wave of Republicans to office in Washington.

It is imperative that ABL build on the opportunities presented by changes in Washington and advocate for policies that will help ABL members.

In addition to the public at large, there are a lot of challenges out there for independent beverage retailers.

Whether it's established package stores with loyal customer bases or small, multi-generational taverns

in small towns or night clubs in big cities, consumers are constantly reassessing how they are spending their entertainment and hospitality dollars.

Spending habits have changed dramatically over the past 3 years as people are saving more and spending less.

“ABL must continue to increase its value to its members at a time in America when we are all taking a second look how we spend our money.”

Potentially a good long-term trend, it has been tough in the short term as less discretionary income is pumped back into the economy.

It's important for ABL to stay attuned with the challenges its state affiliates are facing when it comes to maintaining membership, encouraging grassroots participation and funding advocacy activities to protect their interests at the state level.

ABL is only as strong as its members and the resources and potential they provide when it comes to capabilities for grassroots government affairs advocacy on the issues that beverage retailers face at the national level.

I look forward to continuing the good work of the association and building on the solid foundation that we have in place at ABL, while at the same time identifying and adapting the association for the changing environment in Washington.

Beverage retailers have fantastic stories to tell and we must never shy from standing proudly and sharing the success and goodwill that are the hallmarks of the retail tier of our great industry.





Forging Ahead... NBWA Looks Forward to Continuing Strong Partnership with ABL's New Leadership

Much has changed

since I last sat down to write a column to share with ABL Insider readers.

Earlier this month, Americans cast ballots in a midterm election for the record books and control of the U.S. House of Representatives has shifted to Republicans.

Congress will welcome more than 100 new members from more than 40 states.

But on a more personal level, last month many of us in the licensed beverage industry joined to remember and honor our friend Harry Wiles, the longtime industry advocate and Executive Director of the American Beverage Licensees (ABL).

Harry was a tireless advocate for the licensed beverage industry, a reliable and steadfast leader and a true friend.

From his time working on behalf of wine and spirits wholesalers, to his position as leader of ABL, Harry was a champion for the industry and a cherished colleague.

He is sorely missed by all of us who had the fortune of knowing him.

Harry worked closely with his trusted and valued advisor John Bodnovich, who is now taking the helm of ABL.

I am confident that Harry would be comforted to know that the organization will be forging ahead under John's adept hand.

John has been very involved in the numerous challenges that face the licensed beverage industry, and he understands the importance of a strong, independent three-tier system.

Given John's industry knowledge as well as his political and communication skills, the National Beer Wholesalers Association is ex-

Beverage Licensees to advocate on behalf of this great industry.

Despite these significant changes in the political landscape and within our own industry, many of the challenges and the opportunities that we face remain the same.

Fortunately, ABL members and America's beer distributors are strong allies who will continue to join forces to tackle tough issues that affect the alcohol beverage industry.

The American economy still suffers from a severe economic downturn, which has impacted businesses both small and large as unemployment continues to dictate consumer behavior.

The downturn in the U.S. economy has presented challenges to each segment of the three-tier regulatory system of alcohol controls.

While economic indicators may vary, the need for retailers to deliver choice and value to their consumers remains the same.

That's why it's never been more important for America's 522,000 licensed retailers to utilize the full array of products and services that America's 2,850 licensed beer distributors provide.

Beer distributors can help retailers ride out the economic storm and help their businesses grow by working together to reduce retailers' expenses and identifying ways to be more profitable and efficient.

From point of sale advertising to merchandising and stocking, distributors can benefit retailers' business.

Beer distributors also have valuable knowledge that can help retailers better market the product.

During tough economic times, espe-

teach retail employees to recognize falsified identification cards.

In addition to partnering to stay afloat during tough economic times, it's important that distributors and licensed retailers continue to work together to preserve a state's ability to regulate alcohol.

Attempts to weaken America's effective system of alcohol control persist at a steady pace.

Voters in Washington state successfully thwarted one such deregulatory challenge by defeating Initiative 1105 and Initiative 1100, which was backed by retail giant Costco Wholesale Corporation, Wal-Mart and large grocery stores.

Initiative 1100 would not only have privatized the state's liquor distribution and retail sales but also would have essentially eradicated alcohol regulation and weakened the independent three-tier system in the state.

It would tilt the level playing field for alcohol retailers in favor of a few mammoth corporations at the expense of independent retailers in Washington.

And, if successful, this type of deregulation would be quickly exported to additional states.

Other serious threats to effective alcohol regulation continue to take place in courtrooms across the country.

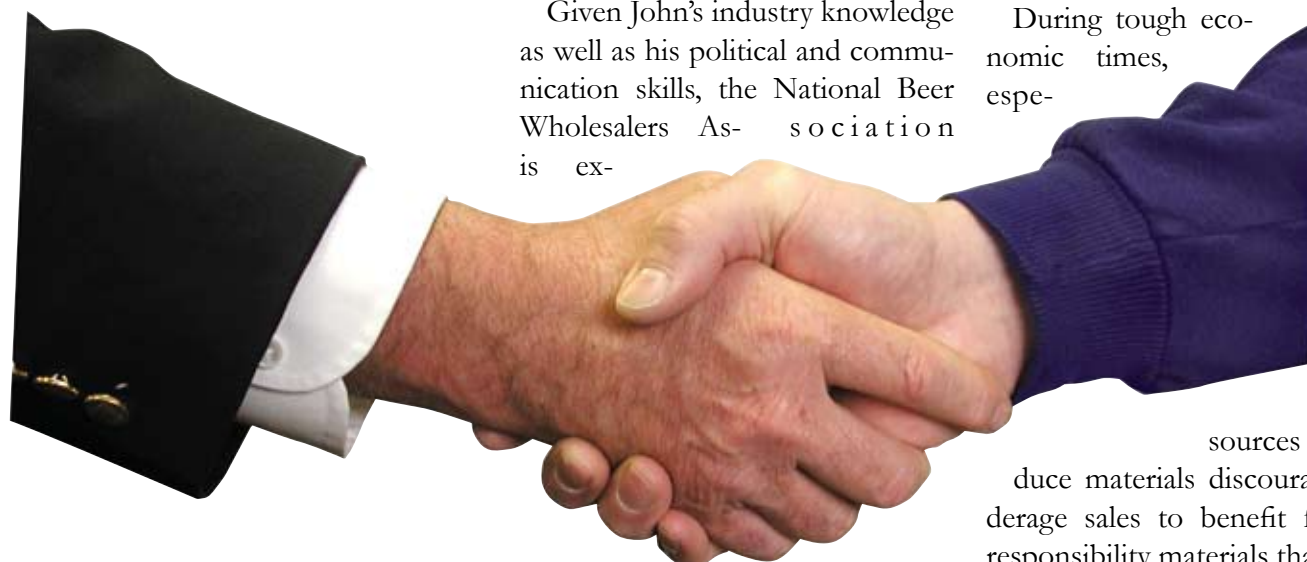
Over the past several years, 28 states have had their alcohol laws challenged through litigation.

Judges are interpreting the same types of laws differently and these mixed results only guarantee more litigation and uncertainty.

NBWA is hopeful that Congress will advance the Comprehensive Alcohol Regulatory Effectiveness Act to reaffirm and protect the primary authority of states to regulate alcohol beverages and assist the states in defending their alcohol laws against deregulatory litigation.

From working together to weather an economic storm to preventing underage alcohol consumption and fighting to preserve the effective system of alcohol controls, America's beer distributors look forward to continuing their partnership with ABL members so they may continue to safely provide consumers with tremendous choice and value. |

“Beer distributors can help retailers ride out the economic storm and help their businesses grow by working together to reduce retailers’ expenses and identifying ways to be more profitable and efficient.”



cited to continue partnering with the American

it's valuable for retailers who do not have the resources to produce materials discouraging underage sales to benefit from the responsibility materials that distributors routinely provide and the programs beer distributors' sponsor to



Industry Successful in Ballot Initiative Battle

The beverage alcohol

industry watched the November elections with great anticipation as many initiatives held the industry's future in the balance.

Some in the industry not only watched, but took an active stance by leading grassroots efforts to educate the public on issues that could have impacted the beverage alcohol industry itself, and also the communities in which they operate.

In Massachusetts, for example, citizens were asked to vote on Question 1, which would repeal the 6.25 percent tax on beverage alcohol.

“WSWA, on behalf of its membership, took the lead in a battle in Washington state over Initiative 1100—a measure that would have served to completely deregulate the state’s beverage alcohol distribution system.”

The Massachusetts Package Stores Association worked with Massachusetts wholesalers in a grassroots effort to educate the public on the issue, ultimately resulting in the voters repealing the beverage alcohol tax.

I would like to congratulate MassPack on their successful efforts in repealing this unnecessary and counterproductive tax on beverage alcohol.

WSWA, on behalf of its membership, took the lead in a battle in Washington state over Initiative 1100—a measure that would have served to completely deregulate the state’s beverage alcohol distribution system.

WSWA was instrumental in helping to defeat I-1100

through the creation of a campaign committee entitled “People for Responsible Liquor Laws.”

Our efforts against I-1100 targeted more than 150,000 persuadable, independent and Republican-leaning voters in the three most populated counties, who, our research showed, were initially leaning toward supporting the initiative.

Since Washington is an all vote by mail state, the campaign committee mailed materials to our targeted group.

Each household received three pieces of mail with the overarching message to Washington voters that alcohol was different than other consumer products, that I-1100 was ill-considered and that deregulation of alcohol distribution would lead to a disorderly marketplace lacking effective regulatory control.

Clearly, WSWA made an impact. We knew this block of voters would be critical in defeating the initiative. I can tell you with confidence that our message of responsible liquor laws and appropriate regulation of alcoholic beverages made a difference in the state of Washington.

Another concern that we had about that initiative is the impact it would have had on independent retailers.

If the measure had passed, big box retailers would have controlled the marketplace and lowered their prices until they destroyed independent retailers.

Consumers would have had a

much narrower range of products to choose from as well—Costco and other big box stores only stock 100 to 120 SKUs of wine, and fewer for spirits.

Consumer choice would have been severely restricted had Initiative 1100 passed.

The vote in Washington state should send a clear message to lawmakers in the nation’s capitol who are considering federal legislation—H.R. 5034, the CARE Act—that seeks to support state control over alcohol: when given a choice, people do not want to see alcohol deregulated.

The vote of the people of Washington state is a strong reminder that the majority of Americans, in that state and across the nation, are opposed to the deregulation of an alcohol distribution system which has proven to be the safest and most effective in the world.

On a separate note, please accept our condolences on the passing of Harry Wiles. A veteran of WSWA, Harry was respected and admired by all in the industry and he will be missed.

However, we also want to congratulate you on the promotion of John Bodnovich to the top spot at ABL. John is a class act and will represent you with distinction.

We look forward to working with him in the coming years just as closely and productively as we did with Harry.



ABL Members Celebrate Package Liquor Store Month

American Beverage Licensees and its members in communities across the country kicked off the holiday season by celebrating the First Annual Package Liquor Store Month this November.

American Beverage Licensees and its members in communities across the country kicked off the holiday season by celebrating the First Annual Package Liquor Store Month this November.

The celebration highlighted the positive impact independent package liquor stores have on their communities, the economy and the social lives of millions of Americans.

distilled spirits are not the only industry products most of those stores provide.

However, in some states, the only place to purchase distilled spirits products is from a beverage licensee.

While the vernacular has shifted and many people refer to their local licensed beverage retailers simply as “liquor stores” or “bottle shops” instead of package stores, independent beverage retailers often sell a wide variety of wine and beer as well.

“While ABL is celebrating Package Liquor Store Month, it’s important to remember that most independent package stores also sell beer and wine in places where state law legally allows them to do so,” said ABL executive director John Bodnovich.

“During this time of celebration, ‘America’s Beer, Wine & Spirits Retailers’ are equally as proud to embrace their friends and colleagues in the wine and beer industries.”

With tens of thousands of locations throughout the country, independent off-premise licensees continue to provide hundreds of thousands of jobs and contribute tens of millions of dollars in taxes to local, state and national economy.

Independent package liquor stores owners have joined together to tell those under the age of twenty-one, ‘We don’t want your business.’

By participating in programs such as We Don’t Serve Teens and Cops in Shops, package liquor stores are working with law enforcement, the government and their communities to prevent underage access to alcohol.

Studies have shown that more than 90 percent of underage current drinkers did not purchase alcohol themselves the last time they drank, and only seven percent of the alcohol purchased by youth is from a store or bar that does not ask for identification.

Package liquor stores continue to uphold a longstanding legacy that began before Prohibition.

Merriam-Webster’s Dictionary defines a Package Store as “a store that sells bottled or canned (alcohol) beverages for con-



sumption off the premises” and traces its usage back to 1918.

The local nature of package liquor stores continues to this day and distinguishes them from faceless, corporate off-premise retailers.

It also affords them the opportunity to tell the story that is in every bottle.

“Today’s consumers increasingly embrace the romantic appeal of our industry’s products. They want to know more about the ‘who, what, when, where and why’ of the content of the bottle,” said Jabour.

“That’s why independent package liquor store owners and their employees pride themselves on educating their customers.”

“We are creating a smarter generation of

“While ABL is celebrating Package Liquor Store Month, it’s important to remember that most independent package stores also sell beer and wine in places where state law legally allows them to do so.”

By focusing on knowledgeable customer service, in-store education and a wide selection of beverage alcohol products, independent package liquor stores distinguish themselves from other off-premise outlets.

Bricks-and-mortar businesses that train their employees to conduct safe and responsible face-to-face sales of beer, wine and spirits to adult consumers, package liquor stores are also leading the fight to prevent underage access to alcohol.

“American Beverage Licensees felt that it’s important to highlight the good works and important role that America’s independent package liquor stores take on,” said ABL President David Jabour, himself a package store owner from Texas.

“Too often we are portrayed as the bad guys when it comes to societal issues surrounding the misuse of beverage alcohol.”

“The fact is the vast majority of independent package liquor stores are conscientious businesses that embrace their responsibilities to their communities.”

In celebrating independent package liquor stores, ABL also recognized that

“Merriam-Webster’s Dictionary defines a Package Store as ‘a store that sells bottled or canned (alcohol) beverages for consumption off the premises’ and traces its usage back to 1918.”

consumers who recognize that while price is important, saving a dollar on a bottle isn’t worth it if it’s not the right bottle for you.” |

ABL's Off-Premise Affiliates... Making a Difference



Indiana Package Stores Ask for Ban on Alcohol Energy Drinks

The Indiana Association of Beverage Retailers (IABR) is asking the state to take action

in banning a potentially dangerous product that is being sold by retailers across Indiana.

On November 10, executives of IABR asked the Indiana Alcohol and Tobacco Commission (ATC) to take steps to ensure that retailers no longer sell high-alcohol, high-energy content drinks—and are asking its members to take the first step in pulling the product from shelves.

“Several states, and the federal government, have taken steps to investigate these potentially harmful products—or approved out-

right bans on sales,” said Brad Rider, chairman of the IABR board and CEO of United Package Liquors in Indianapolis.

“Pending an outcome of a review by the U.S. Food and Drug Administration, we’re asking our package store members to take the lead and voluntarily stop selling these drinks,” Rider said.

The percentage of alcohol in the popular drinks varies from 6 percent to as much as 12 percent alcohol, or the equivalent of four beers.

Nicknamed “Blackout in a Can” by college-age consumers, the high-alcohol, high caffeine energy drinks are under increasing scrutiny by state attorneys general, the U.S.

Food and Drug Administration and now state regulatory boards that govern alcohol sales in various states.

Michigan, Pennsylvania, Oklahoma and New York regulatory agencies have taken steps to

enact product bans, moratoriums on sales of the product, asking for new state laws, and more. Several colleges and universities have also banned the drinks from their campuses.

“In Indiana, we’re asking the state to step in as well,” said John Livengood, president and CEO of the statewide association that represents the interests of 1,000 Hoosier-owned package stores.

Livengood believes the ATC has broad discretionary authority to follow in the footsteps of other state regulatory agencies.

In September, IABR also was the first retail association in Indiana to ask its members statewide for a voluntarily recall of an herbal item known as Spice or K2.

The compound sold under various trade names is reported to be 10 times more powerful than marijuana, but is currently legal. |

Massachusetts Package Stores Repeal Burdensome Alcohol Sales Tax

On November 2, the people of Massachusetts voted to repeal a one-year-old 6.25 percent tax on alcohol sales in the Bay State.

This resounding message put the state government and tax proponents on notice that Massachusetts residents strongly believe that beverage alcohol is already taxed enough and the soon to be defunct tax was hurting Massachusetts small business.

Central in the fight to repeal the tax was the Massachusetts Package Stores Association (MassPack), which championed the successful passage of Ballot Question 1.

“Consumers came to an understanding that this product had already been taxed,” said Frank Anzalotti, executive director of the Massachusetts Package Stores Association.

“I think we were fortunate to be able to put together a campaign that could get the mes-

sage out to voters.”

MassPack set an example for other beverage retailer organizations to follow when it comes to opposing alcohol tax increases and the harmful impact they have on small business.

“American Beverage Licensees congratulates the Massachusetts Package Stores Association, and the hundreds of independent package store owners that comprise its membership, on repealing the 6.25 percent tax on beverage alcohol,” said ABL Executive Director John Bodnovich.

“The passage of Question 1 is an unquestionable triumph for the people of Massachusetts, who have plainly expressed their opposition to increasing alcohol taxes.

“It is also a significant victory and show of strength by package stores in the Bay State.

MassPack has once again demonstrated that its grassroots efforts and ‘boots-on-the-ground’ capabilities are unmatched on beverage alcohol issues in Massachusetts.”

Added Bodnovich, “From leading a signature gathering campaign to get Question 1 on the ballot, to mobilizing its members, to educating the voting public about the importance of voting ‘Yes’ on Question 1, MassPack has demonstrated its value to not only the retail tier, but to the entire beverage alcohol industry.” |



Connecticut Package Stores Continue Successful Sunday Sales Opposition

Off-premise retailers in the Nutmeg State continue their fight to protect the beverage alcohol culture in Connecticut by opposing the off-premise sale of alcohol

on Sundays.

A seemingly annual and always expensive battle, the Connecticut Package Stores As-

sociation points out that Sunday Sales laws in Connecticut are not nearing repeal like many in the media, beverage alcohol manufacturers and food stores would like everyone to believe.

The majority of Connecticut’s legislators continue to oppose bills that call for repeal, as has been the case for over fifteen years.

The CPSA views proposals to allow additional days and hours of sales as a misleading attempt to promote a “buy more, drink more” policy without regard of social, health and public safety issues.

According to the CPSA, studies show that

additional days and hours of sale will not return revenue and instead spread sales out over seven days on what normally occurs over six days.

This runs contrary to studies touted by the Distilled Spirits Council and other groups.

Additionally, Connecticut retailers argue the overhead of adding hours and days increases costs to retailers making it worthless to open.

To learn more about the Connecticut Package Stores Association and their efforts to defend the rights of Connecticut beverage retailers and support their state’s beverage alcohol laws, visit www.ctpsa.com. |



Lame Duck Gridlock a Preview of 112th Congress

The midterm

elections have come and gone, and now a lame duck Congressional session is under way in Washington, D.C.

With the large Republican gains in November, advancing an ambitious legislative agenda during the lame duck session appears to be a tall order for Democrats.

Democrats are running headlong into the new-found clout of the Republicans – especially in the House – which is a hurdle for them when looking for compromise in the post-election session.

Congress is under pressure to keep in place the tax cuts of 2001 and 2003, pass some sort of spending bill, be it a stop-gap or an omnibus, and handle some other less-pressing matters.

When it comes to alcohol industry issues, a few still linger but the tightening calendar and still unresolved agenda items of the Democrats stand in the way of movement of major bills.

LAME DUCK CONGRESS

With the large Republican gains,

advancing an ambitious legislative agenda during the lame duck session of Congress slated to begin on November 15 just got a lot tougher for Democrats. Despite Democrats having the added incentive of dealing with tax cuts while they still control both chambers, the new-found clout of the Republicans will serve as a reason for them to be less willing to compromise in the post-election session.

Congress is under pressure to keep in place the Bush tax cuts of 2001 and 2003. Pressure will also be greater to reach a compromise on the Death Tax, which is set to return after December 31 at the 55 percent rate. Some sort of spending bill, be it a stop-gap or an omnibus, needs to be passed. The odds on successfully addressing the START Treaty, Don't Ask Don't Tell, and energy bills are quite long.

112th Congress (2011-2012)

Opinions vary widely as to what Congress will work on in 2011.

There are a lot of new faces in the House and the Senate. Many new members appear supportive of many things that ABL supports including effective but not burdensome regulation; low taxes to support growth of business and jobs; opposing federal

government mandates; and the decrease of government infringement on states' rights.

Building on these themes and navigating the competing leadership perspectives of the House and Senate with messages tailored to each chamber's preferred policy methods will be necessary.

Tax increases may be off the table in the House for the short term thanks to an influx of more conservative legislators, many of whom will be faced with a tough choices immediately as they are indoctrinated to the ways of Washington.

But for all those opposed to increasing the Federal Excise Tax (FET) on alcohol, the democratically controlled Senate will surely still be listening to policy prescriptions from anti-alcohol advocates and the social health community.

The inevitable re-writing of the House version of the Surface Transportation Reauthorization will provide an instance in which reasoned approaches to drunk driving policy can be put in place.

Beyond that, it is too early to tell what other issues and fights are on the horizon, but one thing is certain: the next two years in Washington are going to be entertaining. |

Many new members appear supportive of things that ABL supports including effective but not burdensome regulation; low taxes to support growth of business and jobs; opposing federal government mandates; and the decrease of government infringement on states' rights.

On the Issues - 2010 Review

CARE Act (H.R. 5034)

On April 15, Rep. Bill Delahunt (D-MA) introduced "The Comprehensive Alcohol Regulatory Effectiveness Act of 2010" or "CARE Act," (H.R. 5034) in the U.S. House of Representatives.

CARE Act supporters argue that the bill will reaffirm states' primary authority to regulate alcohol; prohibit states from discriminating against out-of-state producers; and clarify that state laws have the presumption of validity, thus increasing plaintiffs' burden of proof.

Opponents argue that if the legislation was adopted, "states would have the power to discriminate against interstate alcohol beverage products provided they simply avoid explicit producer discrimination."

ABL remains neutral on the legislation, having not taken a pro- or anti- side, while listening to all arguments from its industry friends and supporters on both sides of the issue.

It has always been ABL's belief that proponents and opponents of this legislation should join together in an effort to resolve their differences as to how best to proceed as a unified industry.

One thing is clear: The CARE Act will be in the legislative fold in the 112th Congress.

Federal Interlock Legislation

ABL along with allied industry groups and third parties continue to voice their objection to one-size-fits-all drunk driving mandates.

This year saw the call by advocates for increased funding of research on anti-drunk

driving technology and a federal unfunded all-offender mandate to that would have cost the states nearly \$500 million in monitoring and compliance costs alone.

ABL continues to call for a further review of the costs associated with federal drunk driving mandates during a time when states are struggling with their own budget deficits.

ABL is also preparing to support effective drunk driving policies, including the increased use of judicial discretion and technology for hardcore and repeat offenders.

This includes debate about these issues when the House and Senate draft a new Surface Transportation Reauthorization bill.

The threat of an all-offender ignition interlock mandate, and what it means going forward for those who responsibly serve beverage alcohol to customers, is very real and one that will be monitored closely in the 112th Congress.

STOP Act Reauthorization

On September 29, Rep. Lucille Roybal-Allard (D-CA) introduced legislation to reauthorize and expand the Sober Truth on Preventing (STOP) Underage Drinking Act (H.R. 6241).

The STOP Act originally passed Congress and was signed into law in 2006.

Provisions in the STOP Act included a media campaign to raise awareness of underage drinking; annual reports on federal & state underage drinking programs and policies; research on underage drinking; and grants to community-base programs to prevent underage

drinking.

The last-second push to pass this legislation is likely to fall short due to the tight calendar at the end of the year.

New Credit & Debit Card Rules for Merchants

On July 21, President Obama signed into law the Wall Street Reform and Consumer Protection Act (H.R. 4173). The law contains the Durbin Amendment relating to interchange fees.

There are two retail electronic payment acceptance reforms that took place immediately.

One provides retailers greater protections from card network fines in offering discounts or incentives for using cheaper forms of payments.

The second would allow retailers to set minimums, not to exceed \$10, for the use of a credit card.

ABL continues to work with the Merchants Payments Coalition (MPC) to focus on the Fed rulemaking process on the additional provisions in the law.

This was a great legislative victory for ABL, its members and the retail community as a whole.

Many ABL members did their part – writing, calling, faxing or emailing their members of Congress; talking to media about interchange fees; and educating their customers and the public about this important issue.

FDA Regulations for Tobacco Retailers

Earlier this year, President Obama signed into law the "Family Smoking Prevention

and Tobacco Control Act".

This new law imposes numerous new, stringent regulations on retailers of tobacco products.

Retailers must verify the age, through picture identification, prior to making sales to persons under the age of twenty seven (27).

Retailers may not use vending machines or other self-service machines to sell tobacco products.

Retailers may not break open standard-sized cigarette packages (twenty (20) cigarettes per pack) and sell cigarettes in lesser quantities.

There are a handful of additional rules and ABL members are encouraged to visit the FDA website or contact ABL for more information.

TTB User Fees Proposal

ABL joined a group of beverage alcohol industry groups this year to oppose a proposal in the President's budget with the following provision:

"The Treasury department is also reviving a proposal from last year to fund the \$106.2 million operations of the Alcohol and Tobacco Tax and Trade Bureau with user fees, instead of paying for it out of the general budget."

This proposal would amount to a re-imposition of the Special Occupational Tax (SOT), the permanent repeal of which was successfully passed in 2005.

While the proposal did not come to pass this year, ABL expects to be offered again in 2011. |

Republicans Take House; Senate Dem Majority Shrinks

A historic “change” election took place on November 2. Now that the dust has started to settle, a picture begins to emerge of what the political landscape will look like for the 112th Congress and the run-up to the 2012 elections.

SENATE

With 37 Senate seats in play, Republicans were believed to have an outside chance of taking control of the Senate if they could “run the table” in some key races.

This proved to be too tall of an order as Democratic candidates pulled out victories in races that were considered toss-ups.

Key Democratic winners included Joe Manchin (D-WV), Michael Bennet (D-CO), Richard Blumenthal (D-CT), Patty Murray (D-WA) and Barbara Boxer (D-CA).

The win of the night for Democrats came in the form of Senate Majority Leader Harry Reid (D-NV) holding on in the fight of his political life in a race that had become emblematic of the disposition of a frustrated American electorate.

Key Republican victories included wins by Tea Party-supported candidates including Ron Johnson (R-WI), Rand Paul (R-KY) and Marco Rubio (R-FL).

The Senate will remain under Democratic control in 2011 but with a narrower margin as the Democratic/Republican split

will be 53-47.

With the shift to a more balanced Senate, achieving the 60 vote threshold for cloture to cut off debate and vote on bills will be more difficult.

Majority Leader Reid has already stated that his primary focus will be creating jobs, but it’s safe to say that there will likely be at least a brief time-out from passing bills as the Democratic and Republican leaders feel each other out.

Democrats will still have control of Senate Committees and their agendas, but have at the very least taken notice of the mood of the country and the implications that their agenda will have on the 2012 elections.

HOUSE

If the Senate results could be summed up by Democrats as “not as bad as it could have been”, the outcome of the House races might be categorized as “just about as bad as it gets.” Or as soon-to-be House Speaker John Boehner (R-OH) put it, American voters sent the message that “they want the president to change the

course” and that they rejected “the Obama-Pelosi agenda”.

As had been predicted for some time, the GOP took over control of the House of Representatives, riding a wave of anti-incumbent, anti-Washington and anti-Democratic sentiment to victory.

The changes in House seats in the election saw the forced retirement of both long-standing Democratic stalwarts or “Old Bulls”, including Ike Skelton (D-MO) and John Spratt (D-SC), as well as many freshman and sophomore Democrats who surged to office on somewhat similar Democratic waves in 2006 and 2008.

Republicans netted a gain of roughly 60 seats in the House. This represents the single largest swing for either party since 1948.

The House currently has 255 Democrats and 178 Republicans.

The new count for the 112th Congress is



After surviving the fight of his political life, Senate Majority Leader Harry Reid (D-Nev.), left, says he’ll focus on job creation in 2011. Soon-to-be Speaker of the House John Boehner (R-Ohio), right, is the son of a tavern owner and has vowed to undoe the Democrats’ agenda.

242 Republicans to 192 Democrats, with 1 race undecided.

Only three seats in House shifted from Republican to Democratic control.

With all the fresh faces in the House, it will be important for ABL and its members to reach out and introduce themselves to these legislators and staff.

Many of them are staunchly pro-business, anti-tax, anti-mandate and should be responsive to the story that so many beverage licensees have to tell.

Even Rep. Boehner noted in his remarks on election night that he was the “son of a tavern owner” and grew up mopping floors in his father’s bar.

Building on that sort of message will be critical to increasing ABL and the retailer’s visibility in the new Congress. |

State Ballot Question Results

California

Californians have rejected Proposition 19, a ballot initiative that would have allowed adults age 21 and over to possess up to an ounce of pot, to consume it in nonpublic places as long as no children were present and to grow it in 25-square foot private plots. The measure was defeated with a 54 percent ‘No’ vote to a 46 percent ‘Yes’ vote. The measure would also have allowed “local governments to permit commercial pot cultivation, manufacturing of cannabis-infused products and the sale and use of marijuana at licensed establishments.” Despite national media coverage of the topic, most candidates for state office in California, both political parties, all major newspapers and a number of minority groups publicly opposed Prop 19.

Massachusetts

In the Bay State, voters supported the passage of Question 1, which repeals a one-year-old, 6.25 percent tax on beverage alcohol. ABL released a statement congratulating its Massachusetts affiliate, MassPack, on the victory. MassPack overcame tall odds to successfully champion the “Yes on 1” campaign, and has set an example for other beverage retailer organizations to follow. From leading a signature

gathering campaign to get Question 1 on the ballot, to mobilizing its members, to educating the voting public about the importance of voting ‘Yes’ on Question 1, MassPack has demonstrated its organization and dedication to its members and the industry.

Texas

Voters in Dallas decided to allow stores citywide in Dallas to sell beer and wine. Voters also approved a second measure allowing restaurants to serve beer and wine city-wide without a membership card. While grocery stores and gas stations in certain areas of may soon be able to sell beer and wine, laws for distilled spirits sales remain the same. The referendum was supported by a group made up largely of grocery chains, restaurateurs and real estate investors. According to a report published in the Dallas Morning News, “Lawyer Andy Siegel, who led the opposition to the Dallas referendum, promised to file a suit to get the results of the beer and wine referendum overturned. ‘The pro-wet folks simply failed to get enough qualified voter signatures on petitions to lawfully put this on the ballot,’ Siegel wrote in an e-mail. Backers of the propositions said they had plenty of signatures.”



Washington

Washington state voters rejected two ballot initiatives that would have drastically altered the state’s regulatory system for distributing and selling beverage alcohol. I-1105, which would have privatized distilled spirits sales in the state, only received 39 percent support, short of the 50 percent it would have needed to pass. I-1100, which would have completely deregulated the distribution and sale of beverage alcohol in Washington State, was also defeated. |

New Members of the 112th Congress

SENATE

John Boozman, R-Ark.
Richard Blumenthal, D-CT.
Chris Coons, D-Del.
Marco Rubio, R-Fla.
Mark Steven Kirk, R-Ill.
Dan Coats, R-Ind.
Jerry Moran, R-Kan.
Rand Paul, R-Ky.
Roy Blunt, R-Mo.
Kelly Ayotte, R-N.H.
John Hoeven, R-N.D.
Rob Portman, R-Ohio
Patrick J. Toomey, R-Pa.
Mike Lee, R-Utah
Joe Manchin III, D-W.Va.
Ron Johnson, R-Wis.

Martha Roby, R-Ala.
Mo Brooks, R-Ala.
Terri A. Sewell, D-Ala.
Paul Gosar, R-Ariz.
Ben Quayle, R-Ariz.
David Schweikert, R-Ariz.
Rick Crawford, R-Ark.
Tim Griffin, R-Ark.
Steve Womack, R-Ark.
Jeff Denham, R-Calif.
Karen Bass, D-Calif.
Scott Tipton, R-Colo.
Cory Gardner, R-Colo.
John Carney, D-Del.
Steve Southerland, R-Fla.
Richard Nugent, R-Fla.
Daniel Webster, R-Fla.
Dennis Ross, R-Fla.
Frederica Wilson, D-Fla.

Allen West, R-Fla.
Sandy Adams, R-Fla.
David Rivera, R-Fla.
Rob Woodall, R-Ga.
Austin Scott, R-Ga.
Colleen Hanabusa, D-Hawaii
Raul R. Labrador, R-Idaho
Robert Dold, R-Ill.
Adam Kinzinger, R-Ill.
Randy Hultgren, R-Ill.
Bobby Schilling, R-Ill.
Marlin Stutzman, R-Ind.
Todd Rokita, R-Ind.
Larry Bucshon, R-Ind.
Todd Young, R-Ind.
Tim Huelskamp, R-Kan.
Kevin Yoder, R-Kan.
Mike Pompeo, R-Kan.
Cedric Richmond, D-La.

HOUSE OF REPRESENTATIVES

Jeff Landry, R-La.
Andy Harris, R-Md.
William Keating, D-Mass.
Dan Benishek, R-Mich.
Bill Huizenga, R-Mich.
Justin Amash, R-Mich.
Tim Walberg, R-Mich.
Hansen Clarke, D-Mich.
Chip Cravaack, R-Minn.
Alan Nunnelee, R-Miss.
Steven Palazzo, R-Miss.
Vicky Hartzler, R-Mo.
Billy Long, R-Mo.
Joe Heck, R-Nev.
Frank Guinta, R-N.H.
Charles Bass, R-N.H.
Jon Runyan, R-N.J.
Steve Pearce, R-N.M.
Michael Grimm, R-N.Y.

Nan Hayworth, R-N.Y.
Chris Gibson, R-N.Y.
Richard Hanna, R-N.Y.
Tom Reed, R-N.Y.
Renee Ellmers, R-N.C.
Rick Berg, R-N.D.
Steve Chabot, R-Ohio
Bill Johnson, R-Ohio
Steve Stivers, R-Ohio
Jim Renacci, R-Ohio
Bob Gibbs, R-Ohio
James Lankford, R-Okla.
Mike Kelly, R-Pa.
Pat Meehan, R-Pa.
Michael G. Fitzpatrick, R-Pa.
Tom Marino, R-Pa.
Lou Barletta, R-Pa.
David Cicilline, D-R.I.
Tim Scott, R-S.C.

Jeff Duncan, R-S.C.
Trey Gowdy, R-S.C.
Mick Mulvaney, R-S.C.
Kristi Noem, R-S.D.
Chuck Fleischmann, R-Tenn.
Scott DesJarlais, R-Tenn.
Diane Black, R-Tenn.
Stephen Fincher, R-Tenn.
Bill Flores, R-Texas
Francisco Canseco, R-Texas
Scott Rigell, R-Va.
Robert Hurt, R-Va.
Morgan Griffith, R-Va.
Jaime Herrera, R-Wash.
David McKinley, R-W.Va.
Sean P. Duffy, R-Wis.
Reid Ribble, R-Wis.

2011 convention | brewing up business



to make the 2011 ABL Convention a can't-miss event.

It all starts with location, location, location.

Milwaukee's resurgence from a one-time brewing and manufacturing center to a hub for the arts, entertainment and culture have made it one of the most desirable places to live according to CNN and Forbes.

With recent additions to the city landscape, including the world-renowned Milwaukee Art Museum and Milwaukee Riverwalk, the "City of Festivals" also hosts the Wisconsin State

Fair and what has been listed as the largest music festival in the world, Summerfest, which attracts around 840,000 visitors each summer.

ABL has secured attractive room rates of \$139 (+ taxes) per night at ABL's Convention Hotel, the Hilton Milwaukee City Center.

Those who are planning on attending the Convention are encouraged to book their room reservations today by calling the Room Reservations Department at 1-800-HILTONS OR 414-935-5940 and identifying themselves as part of American Beverage Licensees.

The Tavern League of Wisconsin, with its 5,000 tavern owner members, is ABL's affiliate in the Badger State.

TLW's presence in state politics, charities and responsibility programs has put it at the forefront of state trade association effectiveness.

Not to mention the fact the Wisconsin tavern owners are second-to-none when it comes to hospitality.

The 2011 Convention registration fee will remain the same as last year. Cost for members are \$250.00, per person (\$275.00 non-members/per person), which will include all scheduled convention functions & events.

Plans are still being finalized for the exciting hospitality and social events at the 2011 Convention, attendees can be sure that they will be plentiful and exciting.

Previous ABL Conventions have featured tastings, receptions and tours of beverage alcohol industry products and facilities, and ABL is excited about the opportunities that Milwaukee provides to showcase the industry.

As in years past, the 2011 ABL Convention will provide licensees with an opportunity to network with their fellow retailers and learn more about their industry from some of its top leaders.

Speakers from each tier and sector of the industry will be on hand to talk about the issues that are facing retailers in Washington and at home.

For more information about the 2011 ABL Convention, please visit ABL's home on the Web, www.ablusa.org.

As the holidays approach and 2010 comes to an end, ABL is hard at work on the 2011 ABL Convention. The 9th Annual Convention will be held on June 12-14, 2011, and will be set against the friendly backdrop of Milwaukee, Wisconsin.

The 2011 ABL Convention theme – Brewing Up Business – characterizes the Convention's emphasis on helping grow the independent businesses of ABL members, while at the same time is a tip of the hat to the beer industry in and around Milwaukee.

Details and a schedule of events are still in the works, but a number of attractions are expected

American Beverage Licensees

9th ANNUAL CONVENTION

Sunday, June 12 - Tuesday, June 14, 2011
Hilton Milwaukee City Center
Milwaukee, WI

MAIL THIS FORM WITH YOUR PAYMENT BY CHECK TODAY!

American Beverage Licensees (ABL)
5101 River Road, Suite 108
Bethesda, MD 20816

REGISTRATION FORM

INFORMATION

NAME _____ GUEST NAME _____

COMPANY/ESTABLISHMENT _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

DAYTIME PHONE _____ FAX _____

EMAIL _____

This is my first time attending the ABL Convention: (circle one) **YES** **NO**

PAYMENT

ABL Member Convention Registration Fee (Per Person)

\$250 x _____ = \$ _____

ABL Non-Member Convention Registration Fee (Per Person)

\$275 x _____ = \$ _____

- Fee Includes All Events, Seminars/Sessions and Hospitality Events
- CANCELLATION REFUND FEE: \$40.00 PER PERSON
- Call ABL at 1-888-656-3241 with any questions
- Visit www.ablusa.org for updates

ACCOMMODATIONS

The Hilton Milwaukee City Center - ABL's Convention Hotel - is offering very attractive rates of just \$139 (+ state & local taxes) per night, single or double occupancy.

The deadline for this rate is May 18, 2011.

- Make your room reservations now by calling the Room Reservations Department at 1-800-HILTONS or 414/935-5940.
- Identify yourself as part of ABL in order to receive the special room rate.
- Please have your credit card, arrival and departure dates on hand when you call.





Is “Zero Tolerance” an appropriate policy?

Do zero tolerance policies result in higher compliance with sales to minors laws?

In their commitment to

complying with underage sales laws, many alcohol beverage licensees have adopted a “zero tolerance” policy in which any employee who sells or serves alcohol to a minor will be terminated, for cause, regardless of length of employment or history of no prior violations.

The appeal of a zero tolerance policy is pretty clear: it is the strongest possible statement that the licensee is extremely serious about preventing underage sales.

But is zero tolerance also effective?

That is, *Do zero tolerance policies result in higher compliance with sales to minors laws?*

This is the question that was taken up in 2005 by a work group of retailers, alcohol regulators, compliance consultants and researchers working under the aegis of the Responsible Retailing Forum.

Through meetings and discussions, and surveys of retailers, law enforcement and regulators, the work group considered the arguments for and against zero tolerance policies and some very eye-opening evidence.¹

There are strong reasons to support a zero tolerance policy.

One, very simply, is to remove clerks or servers who have shown themselves unwilling or unable to

follow the laws and licensee’s policies as instructed and thus cannot be trusted to follow them in the future. (As one retailer noted, “Would a store retain someone who broke the rule about not stealing?”)

A zero tolerance policy demonstrates the serious resolve not

to tolerate such violations.

Terminating someone who sells or serves a minors reinforces for all the remaining employees that ID’s must be checked and authenticated consistently and that no lapses in ID-checking will be tolerated.

Licensees with zero tolerance policies may also be demonstrating to police, licensing commissions—and perhaps to a trial court—that the licensee has taken decisive actions to prevent underage sales.

But there are also arguments against

automatic termination for sales to a minor.

The offending staffer might in all other respects have been an exemplary employee.

Like a broken bone that heals to be stronger than before, an employee who has shown him/herself to be productive and dependable in the past can be retrained to more effectively check IDs and refuse underage sales than before.

One survey respondent characterized the non-compliant employee who is retained as “battle-hardened” and able to serve as a strong example to other employees.

Research conducted by William Chandler, Ph.D, reveals a provocative insight.²

While director of North Carolina’s Alcohol Law Enforcement agency, Dr. Chandler made a careful study of clerks and servers who were cited by his state officers for sales to minors.

Dr. Chandler (who earned his Ph.D. studying his own enforcement data: now, that’s smart!) was hoping to identify: What are the characteristics of people who fail to follow ID-checking protocols?

His data showed that neither gender nor age was associated with higher or lower ID-checking performance (casting doubt upon the commonly voiced notion that younger staff are subject to peer pressure and thus more likely to sell to someone under age 21).

He did discover, however, a very strong association between compliance and length of employment: sellers employed for one month or less sold to a minor at a rate almost two times that of the next highest category of length of tenure selling alcohol.

[A similar analysis of thousands of tobacco inspections conducted by the Pennsylvania Food Merchants Association also found the same association between compliance and length of employment: Clerks employed 1 week had a failure rate of 48%; clerks employed 1 month had a failure rate of 46%; clerks employed 1 - 3 months, 39%; 4 - 6 months, 31%; 7 - 12 months, 29%; > 12 months, 23%.]

These results suggest that zero

tolerance policies may in some cases replace experienced clerks, who as a category exhibit a low rate of non-compliance, with inexperienced clerks who exhibit a higher rate of non-compliance.

If non-compliance is indeed positively associated with inexperience, then zero tolerance actually aggravates the problem of underage sales.

If non-compliance is indeed positively associated with inexperience, then zero tolerance actually aggravates the problem of underage sales.

Some individuals may be indifferent to laws and store policy and these “bad actors” surely should be replaced.

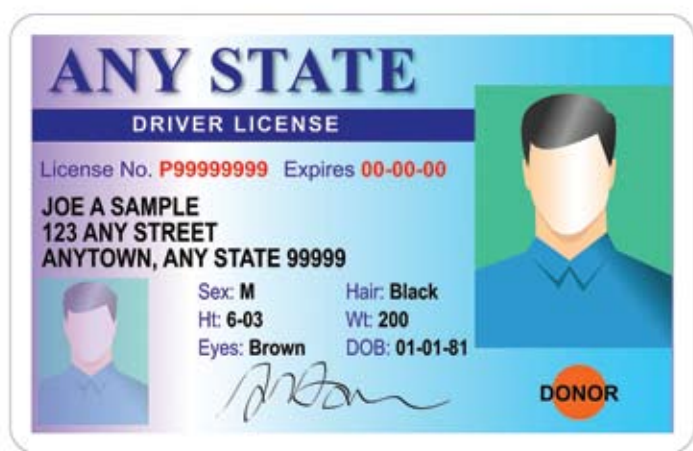
But even conscientious and productive employees are susceptible to human error.

For conscientious and productive clerks and servers who uncharacteristically fail to verify age, less severe penalties—such as suspension, loss of bonus or other benefits—and re-training may preserve a more experienced and productive work force and actually improve the level of consistent ID-checking.

Eliminating zero tolerance also has pitfalls.

Case-by-case decisions by managers whether to retain an employee might leave open the possibility of job discrimination actions or the perception of a double standard, which could harm employee morale, and strict, written procedures for determining whether to retain or terminate an employee would be needed to offset this perception.

Conversely, one work group member (not a retailer) suggests that compassion and a second chance could build loyalty and commitment to the store. |



1. The full report is downloadable from the RRF website: <http://fjpr.fsu.edu/retail/documents/PWG.pdf>

2. WC Chandler and ML Vasu, “Reducing the Sale of Alcohol to Minors by Targeting Sellers and Licensed Outlets: The Case of North Carolina.” *Law Enforcement Executive Forum* 5 (3), 75 - 92, 2005.

Social Media can Provide Your Business with a Powerful Sales and Marketing Tool

On- and off-premise

beverage retailers can be a conservative crowd. Not in a political sense, necessarily, but when it comes to business practices, there can be an air of reluctance to change.

This is understandable, of course, because the model for selling and serving beverage alcohol products has been largely successful for the past 75 years.

Don't fix what ain't broke, right?

But changes to the marketplace and to how information is gathered and disseminated have changed dramatically over the past 15 years as the Internet has exploded as a cultural touchstone for current and future generations.

No longer considered a fad by any serious person, the Internet has shaped the lives of most Americans at least in some way.

Email is ubiquitous, for example, but is now being challenged by other mediums of communication.

"Social Media" is the latest buzzword in our wired – and increasingly wireless – social and work environments.

It's a broad term that can be used to describe any forum or medium in which people gather and communicate electronically to share ideas, news and opinions about their

culture, business or other areas of interest.

There are numerous applications for technology in the workplace, both internal and external.

Sometimes it can appear to be a daunting task to stay on top of the

latest and greatest technology, but in the end, a little time spent familiarizing oneself with how customers and potential customers are communicating can pay dividends.

It can be challenging for beverage licensees to see the value or return on investment in spending precious resources on getting in the social media game.

But there are benefits to be reaped if used correctly and efficiently.

Social media can be used to give retailers their own voice in matters of business and politics.



It can also be integrated into traditional methods of communicating and advertising, not to mention operational tasks.

When it comes to hiring, one ABL member has switched his ad placements entirely from print to electronic.

The fact that applicants have to be savvy enough to use the Internet and a computer to apply, helps him focus on only the most qualified and intelligent individuals.

What are some of the social media platforms that businesses and innovative beverage retailers are using?



Blogs

"Blog" is a term that is thrown around all the time in casual conversation and in the media. What is a blog anyway?

Blog is a blend of the terms "web log". It can be part of a website or its own website, and offers its author an opportunity to publish whatever they want on the Web.

Initially taken advantage of by individuals seeking to carve out their own little niche on the Internet, blogs soon became full-blown media outlets.

As the print media industry has struggled to remain vibrant and relevant, blogs have filled the void for information and

news, often offering readers a more selective and narrow view of issues.

Business has now adapted blogs to promote the company initiatives, announce new products and otherwise engage their customers in a controlled but open format.

Most blogs allow visitors to leave comments and even send messages to each other. This type of interactivity distinguishes them from other basic websites.

Beverage retailers – both on- and off-premise – use blogs to engage customers about new products, specials sales, tastings and other events. |



Facebook

Many companies and businesses use Facebook to reach some of the more than 500 million active users.

This can be as simple as creating a "Fan Page" or "Group" and attracting people to join the page.

What's important to realize is that this is a medium where many people get their news and information.

It is a living community where much more is going on than just photo sharing and posting messages on peoples' pages. Articles and videos can be linked, and campaigns can be started for any variety of causes.

Facebook can be used to create a sense of awareness about an issue, or bring-together like-minded people who share an affinity for a product or a business.

Of course, Facebook also has its drawbacks, including the opportunity for abuse if one's actions are not monitored closely.

Just as due diligence and alertness are needed at the bar or at the sales counter, so too are they required in the virtual world. |



Twitter

Even newer than Facebook, this social media technology builds on the growing use of text messaging to convey typed messages in 160 characters or less.

By its very nature, Twitter prizes brevity and succinctness in getting a point across, which appeals to many people whose lives are already cluttered with the other "necessities" of modernity.

The medium, while growing, is still not as widely embraced as more web-centric technology, but with the increasingly ubiquity of smartphones, Blackberries, iPhones and the like, it is bound to expand.

Because of the mobile nature of Twitter, it can be used to make announcements in short timeframes.

By following a Twitter feed, users can get updates almost immediately.

If a bar or tavern is running a drink special or promotion for the evening, they can directly communicate that with their followers.

If a package store is hosting a product tasting, or featuring a sale, they too can use Twitter as a resource and direct marketing tool. |

Sign Up for eNews from ABL

ABL will soon be initiating more digital friendly communication options for information and news that concern retail beverage licensees. To get the latest from ABL, send an email with the Subject: "ABLNEWS" to abl@ablusa.org

calendar of events

JAN 25-26, 2011

LICENSED BEVERAGE DEALERS OF SOUTH DAKOTA
66TH ALCOHOL FORUM AND ANNUAL HOG ROAST
FORT PIERRE, SD

MAR 7-9, 2011

NIGHT CLUB & BAR
TRADE SHOW
LAS VEGAS, NV

MAR 12-14, 2011

AMERICAN BEVERAGE LICENSEES
SPRING BOARD OF DIRECTORS MEETING
WASHINGTON, DC

MAR 27-30, 2011

NATIONAL BEER WHOLESALERS ASSOCIATION
LEGISLATIVE CONFERENCE
WASHINGTON, DC

APR 4-7, 2011

TAVERN LEAGUE OF WISCONSIN
SPRING CONFERENCE & TRADE SHOW
GREEN BAY, WI

APR 10-13, 2011

WINE & SPIRITS WHOLESALERS OF AMERICAN
68TH ANNUAL CONVENTION & EXPOSITION
ORLANDO, FL

APR 12-13, 2011

RESPONSIBLE RETAILING FORUM
2011 RRFORUM
PARK CITY, UT

MAY 11-15, 2011

NATIONAL ALCOHOL BEVERAGE CONTROL ASSN.
ANNUAL CONFERENCE
PHOENIX, AZ

JUNE 12-14, 2011

AMERICAN BEVERAGE LICENSEES
9TH ANNUAL CONVENTION
MILWAUKEE, WI

JUNE 20-24, 2011

NATIONAL CONFERENCE OF ST LIQUOR ADMINS.
ANNUAL CONFERENCE
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in brief

Caffeinated Alcohol Beverages Come Under Fire

Following the sickening in October of students at Central Washington University after they mixed Four Loko with vodka, a firestorm of media and public scrutiny rained down on caffeinated alcohol beverages, eventually leading to unusually swift action by the Food and Drug Administration (FDA), which has essentially banned the drinks in their current forms.

On November 17, the FDA issued Warning Letters to four manufacturers of caffeinated alcohol beverages. FDA's letters warned that the addition of caffeine to those manufacturers' alcohol beverages has not been approved by FDA and is an "unsafe food additive."

The four manufacturers to receive Warning Letters (and their products) were: Charge Beverages Corp. (Core High Gravity HG, Core High Gravity HG Orange, and Lemon Lime Core Spiked), New Century Brewing Co., LLC (Moonshot), Phusion Projects, LLC (Four Loko) and United Brands Company Inc. (Joose and Max).

Since issuing the Warning Letters, the FDA has had discussions with all four companies. As a result of those discussions, significant progress has been made.

Perhaps most prominently, due to the news and

events surrounding this issue, Phusion Projects has advised the FDA that it has ceased producing caffeinated alcohol beverages, is no longer shipping such products, and expects to have all of its caffeinated alcoholic beverages off retail store shelves by December 13.

Phusion Projects is the maker of Four Loko.

Long a favorite target of anti-alcohol groups, caffeinated malt beverages were said to be dangerous due to the alcohol-masking effects of caffeine and other stimulants.

Calls came from many quarters to address the issue.

Senator Chuck Schumer (D-NY) was the most outspoken national figure to comment on the products and the events surrounding their sudden rise to the front page.



Schumer condemned caffeinated alcohol beverages in general and the makers of the products.

"Let these rulings serve as a warning to anyone who tried to peddle dangerous and toxic brews to our children. Do it and we will shut you down," said Schumer.

Four states – Washington, Michigan, Utah and Oklahoma – have banned the drinks outright, with other preparing to ban the products in upcoming legislative sessions.

Alcohol-Impaired Traffic Fatalities At Record Low Level

The number of alcohol-impaired driving fatalities in the United States last year dropped to a historic low, according to new data released in September by the U.S. Department of Transportation's National Highway Traffic Safety Administration (NHTSA).

According to NHTSA, alcohol-impaired driving fatalities have declined 49 percent since 1982 when record keeping first began. Alcohol-impaired driving fatalities declined by 7.4 percent in 2009 – 10,839 compared to 11,711 reported in 2008.

Overall, 33 states and Puerto Rico experienced a decline in the number of alcohol-impaired driving fatalities in 2009 compared to 2008. |

green corner



Georgia Package Store Green's Goes...Green

Green's Beverage Store in Atlanta is taking its efforts to "go green" to the next level. Recently, the store installed a solar photovoltaic system on its roof.

The Company says that the new system will produce approximately 86,000 kilowatt hours per year and offset the liquor store's energy usage by nearly 20 percent.

The *ABL Insider* spoke with Eric Bakke, the property manager for all five of the Green's Beverages stores in Georgia and South Carolina about this exciting new project.

"We'd been talking about having an issue with the roof for a number of years," recounts Bakke, referring to the roof of the 14,000 square foot retail space on Buford Highway in Atlanta. "Whatever we put up there, we wanted to make sure it was energy efficient, and we thought about potentially incorporating a solar array."

"One of the things we are up against is having to produce a lot of power," said Bakke. "We have a walk in cooler for beer, a temperature controlled room for wine and we run a number of lights."

Bakke said that he and Green's researched the issue very diligently and in the process, learned a lot about solar panels, insulation and coatings to improve the absorption of light by the solar panels.

"A lot of the solar panels need to be mounted or adhered to the roof, but we put up Solyndra solar panels that sit on brackets and don't need to be tilted or mounted," said Bakke. "We also added more insulation on the roof and an insulation board."

Bakke and Green's then took it one step further.

"We researched some elastomeric coating which we applied to the roof," Bakke recalled. "The coating has a high reflectivity and when the sun beams, the light reflects into the round panels from below."

Bakke is quick to note that he received valuable consultation and expertise from solar partner Empower, and Kelco Roofing, the roofing company that worked on the job.

"Kelco and Empower were instrumental in getting this done. Empower helped us with the solar aspects and Kelco handled the roofing and permits with the city."

Empower has also created a website – www.greensolar.com – where visitors can see real-time solar monitoring of Green's.

Now that the almost 1 mile of cable has been laid and the system is wired together, Bakke is shifting gears to focus on using the power generated by the solar panels on the roof.

Green's has applied for a program and is now in line to participate in a buy-back program in which they would sell power to Georgia Power, creating a unique revenue

source for the company.

"We use the power we generate each month, and we're working with Georgia Power to sell the excess power we generate," said Bakke.

Bakke is hopeful that the system is going to pay for itself.

"Green's has been in its current location for 40 years and isn't going anywhere," said Bakke. "We have always embraced new technologies and saving money."

It appears in this case, they'll be combining cost saving, energy saving and environmental awareness into their successful formula. |



Green's solar panels with the Atlanta skyline in the background.

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