

ABL Insider

A PUBLICATION OF THE AMERICAN BEVERAGE LICENSEES | VOL. 5, NO. 3 | FALL 11

a word before

Alabama Beverage Licensees Association Becomes Newest ABL Affiliate

Joint On- and Off-Premise Group Joins National Association

Alabama Beverage Licensees Association (ABLA) has become the newest member of American Beverage Licensees, having successfully joined ABL as an affiliate organization.

Bringing its growing membership to the national association, Alabama's beverage licensees now join in the efforts of supporting the retail tier of the beverage alcohol industry, just as ABL will lend its strengths to beverage retailers in the "Heart of Dixie."



Establishing the Organization

Following the merger of the Alabama Liquor Alliance and a Tuscaloosa-based retail group into a single association in 2010, the one-year-old ABLA now represents the entire retail tier of the industry – including bars and package stores – from its headquarters in Tuscaloosa.

ABLA Executive Director Brandon Owens is already a familiar face amongst ABL members, having attended ABL's annual convention the last few years. He has worked with ABL staff and the leaders of ABL affiliates in other states to learn how to organize members, and is grateful for the assistance they have already received prior to joining.

"I think it will be great to be involved in issues at the national level," said Owens. "Our members will now have an additional way to reach our federal representatives and a network they can draw on for business advice from other members."

Legislative Issues at the Forefront

The ABLA and its 60 members are focused on several issues, working to ensure their license fees and permits allow them the protection and benefits needed as costs rise.

"There have been lots of changes in Alabama in regard to beverage laws. We want to protect small business owners against any new regulations and hopefully allow our businesses to compete in the future," said Owens. "We want to level the playing field between all businesses in Alabama so our owners can be more successful."

During Alabama's last legislative session, bills were brought up to raise license fees on businesses and also implement a fee for a tobacco permit. There was also an effort to make all on-premises employees get a license.

While ABLA is not opposed to any of this legislation outright, the organization hopes to ensure members receive added value to justify paying

more for beverage licenses. ABLA is also hoping to see some changes to the liquor liability insurance requirement and is closely monitoring privatization in states around the country in anticipation of similar legislation possibly introduced in Montgomery.

"ALBA has been actively working to preserve the rights of business owners in their state and ensure fair regulation for beverage licensees," said ABL Executive Director John Bodnovich. "We are thrilled to work with them on national issues as they grow in Alabama."

As ALBA has brought the voice of beverage retailers to the leaders in Montgomery, they will now have a stake in the developments our nation's capital, and a voice to represent them in Washington, DC.



Brandon Owens
ABLA Executive Director

Published by:
American Beverage Licensees (ABL)
5101 River Rd,
Suite 108
Bethesda, MD 20816
(301) 656-1494
www.ablusa.org
editor
ROSANNE FERRUGIA
(c) 2011 American Beverage Licensees. All rights reserved. The contents of this publication may not be reproduced by any means, in whole or in part, without the prior written consent of the publisher.
executive director
JOHN BODNOVICH
director, trade relations & operations
SUSAN DAY DUFFY
manager, communications & public relations
ROSANNE FERRUGIA

contents

3
where we stand
Looking Forward
BY CHUCK FERRAR
ABL President

4
ABL's New Website

5
from the office
Crafting Effective Drunk Driving Legislation
BY JOHN BODNOVICH
ABL Executive Director

6
from the industry
Keeping the Three-Tiered System Strong
BY JIM ROWLAND
Senior Vice President, Government Relations, Wine and Spirits Wholesalers of America

7
from the industry
Supporting Each Other on the Issues
BY CRAIG PURSER
President / CEO, National Beer Wholesalers Association

8 - 11
2011 ABL Convention Recap
News and Photos from ABL's 9th Annual Convention in Milwaukee

12
washington, dc update
Transportation Bill, Alcohol Taxes, and Fake ID from China

13
state issues update
Recycling Issues, Washington Ballot Initiative and other state issue information

calendar of events
14
industry news
News from all three tiers

15
green corner
Tips for Recycling

2012 Convention Info

16
associate members
affiliate members



Looking Forward

Having just been elected,

ABL President by the Board of Directors at the annual ABL Convention and with this as my first column in the ABL insider in that capacity, I'd like to take this opportunity to introduce myself. My name is Chuck Ferrar, and it is an honor to have the chance to represent independent beverage alcohol retailers and American Beverage Licensees. I will be working with you for a two-year term, and looking forward to meeting as many of you as possible while serving the organization.

I have been a member of ABL's Board of Directors since 2005 and an executive committee member for the past two years. I served as an ABL Vice President these last two years. I have also served Maryland retailers as the past president of the Anne Arundel County Licensed Beverage Association, the Maryland State Licensed Beverage Association, and the Wholesalers Retailers Association of Maryland.

Of all the people I meet through these organizations, I am so happy to be working with ABL's members. Beverage retailers are great people. We work hard to serve our communities, and I we always have. I myself am a former Anne Arundel City Council Member and an active member of the Annapolis Rotary Club. In meeting all of you, I know that many of you are just as active and engaged in the community as I am. It is part of the character of our members, and that is character that I am proud to provide on national issues.

Just like all of you, I am a small business owner and operator. My store, Bay Ridge Wine and Spirits, is in Annapolis, Maryland. As an off-premise retailer, I understand the needs of my fellow liquor store and package store owners. I am, however, dedicated to learning as much as I can about the issues that affect on-premise retailers and look forward to advocating on behalf of all our 20,000 members.

We are so much stronger together than we could have ever been standing as separate voices. That was why ABL was created in 2002, and I am proud of the organization for becoming the grassroots arm of the retail tier. It's through each of us that we can make a difference in the perception and treatment of the beverage alcohol industry.

By working together through ABL's headquarters, we are able to engage on the issues with one focused, central message. This continuity helps us interact with Members of Congress more effectively, and work with the media to demonstrate our values. By learning from each other and the experiences our fellow retailers are having in state houses and their communities, we can properly prepare for changes that are trending throughout the country, no matter what or where they are.

Part of building a strong organization is building strong affiliate members. Most of you have received your ABL membership by way of your membership in one of our thirty-four state affiliates. Working with the Executive Committee and ABL's staff in our Bethesda headquarters, we hope to build the strongest possible organizations at that state level.

ABL and the meetings we hold are the best resource for learning how to build a stronger association, just

Strong businesses make us a strong association.

We want to do our best to support you in any way we can.

as it is to build a stronger business. We talk about how to reach out to new members just as we talk to each other about how to find new customers.

We host seminars and share ideas on how to communicate with the customers you have just as we talk about communicating with business owners in the state, and all the changes that the Internet is bringing to that. They happen almost daily at this point, between Twitter, Facebook, Foursquare, now Google Plus. It is a constantly-changing game, and ABL is trying to stay on top of it. Whenever you have a question, you can always reach out to the staff by contacting the office by phone, e-mail or through these networks. They have all worked both with associations and small businesses, and would prove to be a great resource for you.

Strong businesses make us a strong association. We want to do our best to support you in any way we can. Communication is key. If you have suggestions for us – something that you would like to learn, see or do, I do hope that you will reach out. We receive questions all the time about the issues you care about, and we are working to find a way to keep this information within our new website. If there is a specific resource you would like us to research, please send it along. We are always open to new ideas.

Communication is a two-way street, and you will be seeing some new communication from us, as well. You can now sign up to receive specific alerts on our website, which will help keep you up to date on all the comings and goings in ABL. Even this publication, ABL Insider, has a home online now. We might also send questions or surveys for our members, and I hope that you will respond to them, as well.

I look forward to a great two years working for you and making our proud industry all the stronger.

SAY “HELLO” TO THE NEW

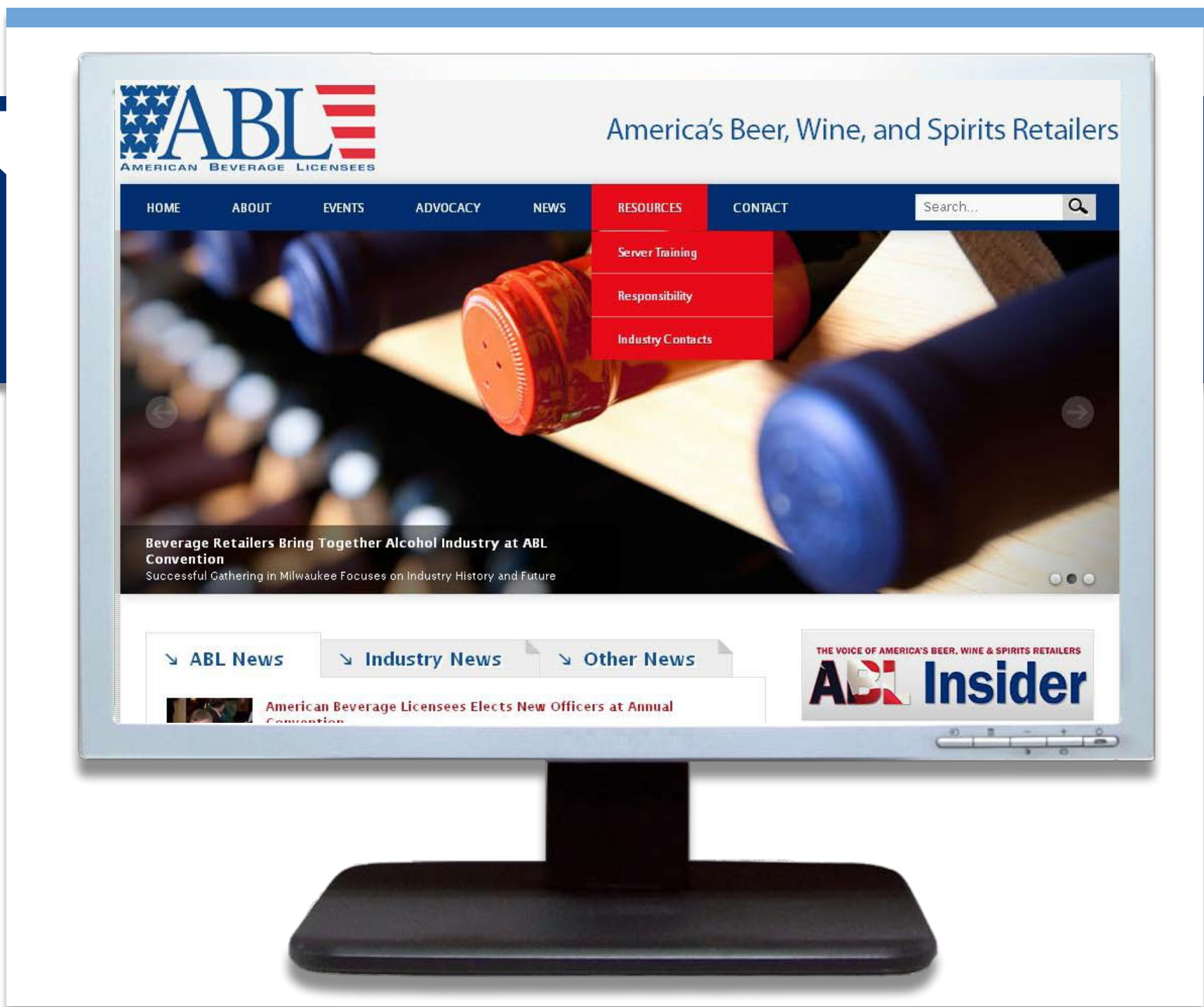
WWW.ABLUSA.ORG

American Beverage Licensees is proud to present our new website!

The importance of an online presence to reach you and others involved in the industry has only become more and more obvious throughout the last decade. As so many affiliates and members are rebuilding their websites, joining social media networks, and interacting with your customers online, we decided that after ten years, our website needed an update.

The recently re-launched www.ABLUSA.org is stocked with resources for our members to grow and advocate for their small businesses. Designed to be efficient for our busy members to visit and find what they need, the site hosts links to dozens of tools for your convenience. You can find the latest happenings at ABL, industry news, information about what’s happening with our Affiliate members across the U.S., and important articles on legislation and regulations that affect all of us.

We are also taking strides to communicate more effectively. You can now sign up to receive ABL’s online publications through our website, including the online version of the *ABL Insider* and periodic updates like press releases and legislative action alerts. You can also connect with us on Twitter (www.twitter.com/ablusa) and Facebook (www.facebook.com/ablusa).



Subscribe to ABL’s e-mail newsletters, action alerts and important updates

View news from ABL, Affiliates and the industry on one convenient site

Find resources to help you effectively advocate for your small business



Crafting Effective Drunk Driving Legislation

It's no secret that

many of those involved in the conversation and policy-making process surrounding drunk driving do not believe that any segment of the beverage alcohol industry has a role to play in the debate.

At ABL, we couldn't disagree more.

Beverage licensees are responsible for handling, selling and serving beverage alcohol, an age-restricted product which, if misused, can cause harm.

They are also stakeholders when it comes to preventing drunk driving.

Beverage retailers are engaged in state and local-level policy discussions concerning drunk driving in hope that they may

ABL firmly believes that a comprehensive approach tailored to each offender and based on his or her needs and dependency is necessary if we are to be serious about addressing drunk driving.

We cannot achieve our shared goals through cookie cutter mandates.

Incorporating a thorough approach via the criminal justice system – and a judge in particular – will continue to move the fight against drunk driving in the right direction.

That's why American Beverage Licensees, the communities its members serve, the millions of Americans they employ and the hundreds of millions more who responsibly enjoy the hospitality they provide, are encouraging Congress to support a comprehensive approach to fighting drunk driving by opposing any one-size-fits-all mandates for ignition interlocks or any other singular technology.

Technology is only effective if it is actually deployed, and we know that even in states where mandatory interlock laws have been passed, compliance rates are very low.

Relying on technology alone does not ultimately solve the problem, and recidivism will continue if rehabilitation and other comprehensive countermeasures are not in place.

Drunk driving cannot be ignored.

ABL is asking Congress to support a legislative approach that seeks long-term reductions in recidivism.

We also can't overlook the very true fact that the simple passage of laws to reduce drunk driving-caused deaths and injuries won't work without proper implementation.

Currently, monitoring of offenders is scarce, despite being a critical component as it relates to hardcore drunk

drivers and ensuring that technology is installed and used.

By not allowing judges and courts to use any discretion in how they adjudicate drunk driving cases, a mandate would have the effect of weakening efforts to monitor hardcore drunk drivers and other high-risk offenders.

This is to say nothing of the more than \$400 million that the American Probation and Parole Association conservatively estimates such an unfunded mandate would cost states and local governments and enforcement agencies.

Instead of a one-size-fits-all mindset, a better approach would be to focus on DWI courts and similar solutions that are being used all over the United States, as well as incentives for states that focus on enforcement (by police and judges) of existing drunk driving laws.

At a time when many states are struggling financially and are faced with tough choices when it comes to cutting services, incentive grants can increase the capacity and effectiveness of states' programs that are designed to confront the critical problem of drunk driving.

ABL will continue to strongly encourage Congress and others involved in this debate to support long-term solutions to drunk driving that address recidivism, and oppose mandates that do not distinguish between the dependencies of individual offenders and do not ensure success in this fight.



ABL will continue to strongly encourage Congress and others involved in this debate to support long-term solutions to drunk driving that address recidivism, and oppose mandates that do not distinguish between the dependencies of individual offenders and do not ensure success in this fight.

be part of the solution.

ABL and its beverage retailer members have supported the efforts of state legislatures and the prevention community to close legal loopholes in order to better protect their communities from those who disregard the law.

That has meant supporting graduated sentencing with required ignition interlocks for hardcore and repeat offenders, and other permanent approaches that address recidivism.



Keeping the Three-Tiered System Strong

I would like to thank

ABL and its leadership for giving me the opportunity to speak at your 9th annual convention in June. Milwaukee is my home town, and there is no better city in the country to enjoy the best that beverage licensees have to offer. I always enjoy attending your meetings, and it was a pleasure seeing so many of you at this year's convention. I would like to applaud David Jabour on his tenure as President of ABL, which ended at the convention, and wish him well in his new role as immediate Past-President. I would also like to congratulate MillerCoors CEO Leo Kiely on receiving the prestigious "Top Shelf Award" presented during the convention.

At the convention, I was able to share with attendees WSWA's current priorities that affect our members and the beverage alcohol industry. I know many of those issues are also important to ABL and its members, such as the federal ignition interlock mandate and various social responsibility initiatives. After my presentation I spoke with many attendees about how we are equally committed to our domestic retail customers as we are in working with international suppliers—both key parts of America's unique three-tier system. This year's ABL convention was about relationship building and driving our industry, and it occurred at a time when industry unity is more important than ever before. Fulfilling

WSWA's vision—of providing the linkage between wholesalers and suppliers, customers and clients, old friends and new business associates—makes us especially pleased to support the ABL, ABL Insider and the ABL convention.

As summer winds down and fall approaches, WSWA members and their retail partners will gear up for their busiest time of year—October, November, December—or, OND, as it is commonly called. With effects of the recession still lingering throughout American businesses, the beverage alcohol industry included, WSWA

While educational training will always be an integral part of the wholesaler-retail partnership, so will social responsibility initiatives. This fall WSWA and its membership will once again join forces with the beverage alcohol industry in promoting the Federal Trade Commission's (FTC) "We Don't Serve Teens" national campaign to reduce underage drinking. For 2011, the FTC has produced new, two-sided 5x7 adhesive signs—one in English and one in Spanish. Because the signs are two-sided, with see-through adhesive, they can be placed on the inside of a store's door, and be

"It is opportune for the many different businesses that make up America's three-tier system to band together to play a positive, impactful role in the future of our industry."

members will continue to work with their retail partners to ensure the industry's viability and sustainability endure.

WSWA members have a long history of supporting a broad range of education initiatives designed to help improve on technology and innovation in every aspect of our industry. The innovations needed to meet new consumer demands in the years ahead will require a highly knowledgeable retail workforce.

ABL's members know wholesalers continuously work with their retail customers on everything from conducting sommelier classes with wait staff, to putting on mixology courses showing the latest spirits trends, to creating POS materials and restaurant menus.

Wholesalers have even taken it a step further with establishing training programs free of charge to both their retailer and supplier partners. The beverage alcohol industry is one that is constantly changing and ever evolving, as you all know, so educational programs like these are imperative for the future of the industry.

visible from both inside the store and the street—a big improvement over previous years.

The alcohol industry has a unique responsibility to encourage and support programs like "We Don't Serve Teens." WSWA and our members believe that this program is a vital part of our fight against underage drinking. Wholesalers do not want kids to gain access to our products, and this program supports our ongoing efforts to promote the responsible sale of alcohol by retailers who respect the importance of the face-to-face transaction.

The sustained health and vitality of the beverage alcohol industry is just as important to retailers as it is to WSWA and its membership. At a time when there are more problems than solutions, when the challenges are unprecedented, it is opportune for the many different businesses that make up America's three-tier system to band together to play a positive, impactful role in the future of our industry.





Supporting Each Other on the Issues

This June, I had the

pleasure of addressing hundreds of independent retailers during the American Beverage Licensees (ABL) Convention in Milwaukee, Wisconsin. Because of the solid partnership that exists between America's beer distributors and alcohol retailers, this was a great opportunity to discuss how we can join forces to tackle the issues that affect all segments of the alcohol beverage industry and continue to advocate together for a strong,

independent three-tier system and issues that are of mutual importance.

One recent policy issue that I highlighted in my remarks was the successful defeat of federal legislation to delay swipe fee reform. As independent

retailers across the country know, swipe fees are an enormous cost for merchants and consumers. The Dodd-Frank Wall Street Reform and Consumer Protection Act that passed in 2010 required the Federal Reserve to implement rules requiring swipe fees to be reasonable and proportional to processing costs. A proposed rule capping debit fees at 12 cents per transaction was set to go into effect July 21. There was an effort by some members of Congress, however, to delay this implementation of swipe fee reform.

Thanks to the leadership of ABL and the coalition of retailers who voiced their opposition to legislation that would amend, repeal or delay swipe fee reform, a Senate amendment that would have done just that was defeated in early June. The National Beer Wholesalers Association (NBWA) was proud to stand with our retailer partners on this issue by making it an issue at the 2011 NBWA Legislative Conference and communicating

the Association's opposition to a delay in swipe fee reform by sending a key vote alert to Capitol Hill.

NBWA and ABL have also proven to be strong partners when it comes to fighting efforts to reduce a state's ability to regulate alcohol. Over the past six years, more than half the states have been challenged in federal courts by plaintiffs seeking to reduce the states' ability to regulate alcohol. NBWA has been proud to work with ABL in responding to these litigation threats by filing amicus briefs in a number of these important court cases. Plaintiffs' attorneys unfortunately have communicated their intent to continue this litigation assault on the states.

Because of the risks associated with allowing state alcohol policies to be determined by unaccountable judges in distant federal courthouses, a bipartisan coalition of members of Congress introduced H.R. 1161, the Community Alcohol Regulatory Effectiveness (CARE) Act of 2011. The simple goal of this legislation is to recognize and reaffirm that alcohol is different from other consumer products and that it should continue to be regulated by the states. By clarifying congressional intent that states have the authority to regulate alcohol, the CARE Act would help limit litigation that is threatening to erode the world's best system for regulating alcohol, which provides access to market and promotes tremendous choice and variety. NBWA is proud to join public health officials, state attorneys general, state regulatory organizations and several state alcohol retail associations in supporting this legislation.

NBWA is continuing to address many other policy issues such as tax credits for natural gas vehicles, federal excise taxes and privatization efforts. We look forward to continuing to work with ABL members on these issues of mutual concern.

These issues are just a snapshot of the many topics that will be discussed at NBWA's 74th Annual Convention and Trade Show, which takes place October 16-19 at Caesars Palace in Las Vegas, Nevada. This event will provide a valuable opportunity for all segments of the alcohol industry to gather and discuss the issues impacting this great industry. Panel discussions during the General Session will feature brewers, distributors and retailers alike.



America's beer distributors value the solid relationship we have with America's independent retailers, and we look forward to continuing to work together on many issues as NBWA begins its 75th year. Cheers to this successful relationship!

“America’s beer distributors value the solid relationship we have with America’s independent retailers, and we look forward to continuing to work together on many issues as NBWA begins its 75th year.”

feature *Brewing Up Business: A Recap of ABL's 9th*

More than 200 beer, wine and spirits retailers joined members of the alcohol industry in Milwaukee, Wisconsin at the 9th Annual ABL Convention, June 12-14, 2011. For three days, convention attendees heard from featured speakers and top executives representing all three tiers of the alcohol industry as well as continuing industry education events and business improvement information.

Sunday, June 12, 2011

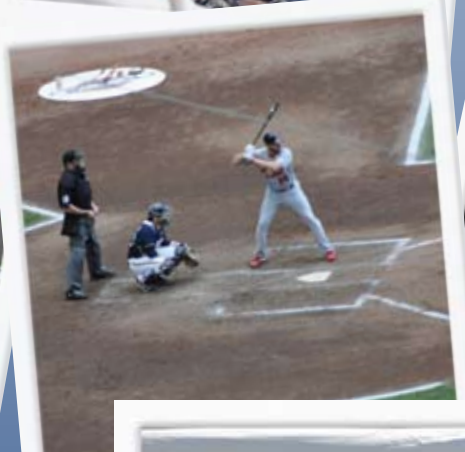
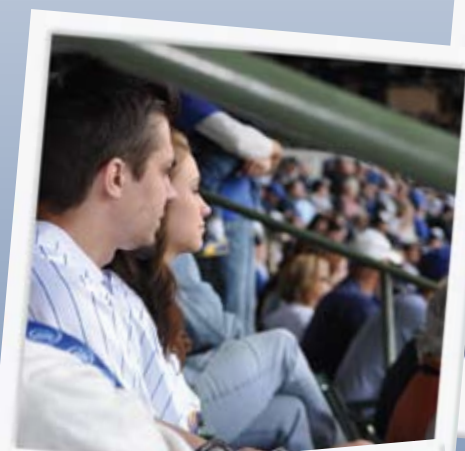
Beverage Media Group hosted the ABL Board of Directors for breakfast the first day of the convention. Chairman William Slone shared the many features offered. Within its dozens of publications, Beverage Media group provides in-depth buying information, national feature articles and local news. In addition, they offer e-commerce capabilities, technology resources and directories through their website. For more information about Beverage Media and its options, visit www.bevnetwork.com.



Brewers game

ABL members cheered the hometown team to victory after enjoying brats and more at the tailgate.

Many thanks to the Tavern League of Wisconsin's Milwaukee County Chapter for providing and preparing the food!



See photos of the welcome reception at the Milwaukee Public Museum sponsored by the National Association of Beverage Importers at www.facebook.com/ablusa

Annual Convention

Monday, June 13, 2011



Members shared breakfast with representatives from E & J Gallo Winery, who sponsored the morning's event. This year's convention marked the first time ABL has held its signature event in Milwaukee, which has a long-standing brewing heritage and has a strong beverage alcohol industry presence. One of the convention's two General Sessions featured presentations by Jeff Colbert, Senior Vice President, Sales and Marketing for Tenth and Blake Beer Company and MillerCoors' Manny Manuele who oversees technical insights and product development. Those presentations were followed by a hard-hat tour of the Miller Brewery.

Craft Beer: Examining its Growth and Appeal

"With the unbelievable assortment of beers and styles and unprecedented accessibility, the environment for expression and creativity is rich. We cannot possibly deliver value to you, our retail partners, without laser focus on the beer drinker, who frequents each of your businesses."

*Jeff Colbert
Senior Vice President, Sales & Marketing
Tenth and Blake Beer Company*



Hard-hat Tour of the Brewery



feature *Brewing Up Business: A Recap of ABL's 9th Annual*

Tuesday, June 14, 2011



Breakfast, sponsored by



Jim Rowland, WSWA



Peter Cressy, DISCUS



Craig Purser, NBWA



Beverage licensees heard from senior management in the beer industry, trade association executives, members of industry media, social media experts and some of their fellow retailers over the course of three days, culminating with the ABL Top Shelf Award Banquet honoring outgoing MillerCoors CEO Leo Kiely.

“At a time when each tier of the industry is focused on their own issues, ABL was able to bring together retailers, wholesalers, suppliers and importers as well as brewers, distiller and vintners, to celebrate and discuss our industry,” said ABL executive director John Bodnovich. “ABL is proud to provide a stage from which its members can learn more about their industry, become more successful business people and advocate more effectively for their issues.”

The convention also focused on legislative and regulatory issues and social media as a tool for beverage retailers.

General Session speakers included Joe McClain, President of the Beer Institute; Dr. Peter Cressy, President & CEO of the Distilled Spirits Council of the United States; Craig Purser, President & CEO of the National Beer Wholesalers Association; Jim Rowland, Acting Executive Vice President for External Affairs for the Wine & Spirits Wholesalers of America.

“The convention provided ABL members with an opportunity to hear from and interact with other segments and tiers of the industry,” said Bodnovich. “More importantly, it was a chance for beverage licensees to share what issues they find important with those whose products they serve and sell.”

General Session: Communications and Advocacy



Death's Door and Don Q Cocktail Reception



Brian Ellison of Death's Door Spirits



John Meisler, of Serrales



Social Media Seminar

Bob Mack, World Class Beverages, and Lisa Zimmer, Tenth and Blake Beer Company, speak to ABL members about how to utilize Twitter and Facebook accounts for their businesses.



See more photos on our Facebook page!
Visit www.facebook.com/ABLUSA

Top Shelf Award Banquet



Leadership of the Tavern League of Wisconsin with ABL President Leo Kiely and David Jabour



The Top Shelf Award Winner and his signature phrase: "I'm Leo Kiely, and I sell beer."

Members of ABL's Executive Board with Executive Director John Bodnovich



Jim Wright of MillerCoors introduces Top Shelf Award Winner Leo Kiely



Dr. Peter Cressy of DISCUS with Retailer of the Year Winners from Kansas and Massachusetts. DISCUS sponsored the evening's dinner





Senate & House Ready Transportation Legislation; Technology Research Bill

The Senate Environment & Public Works Committee and the House Transportation & Infrastructure Committee continue to draft transportation reauthorization legislation.

Each Committee and its leadership have released outlines of their legislative plans though as of this printing, not the text of the bills.

Traditionally, the transportation reauthorization bills have been used as vehicles for federal legislators to include specific language to address alcohol-related highway safety policy changes.

One such policy change that could be folded into the transportation bill calls for the withholding of federal highway funds from states that do not enact and enforce a law requiring the installation of an ignition interlock device for a minimum of 180 days on each motor vehicle operated by an individual convicted of driving while intoxicated or driving under the influence.

Stand-alone legislation to that effect, the Drunk Driving Repeat Offender Prevention (D-DROP) Act of 2011 (S. 273 & H.R. 2129) has been introduced in both chambers.

Such a cookie-cutter mandate is counterintuitive to the approach to addressing drunk driving that is supported by ABL as it would remove judicial discretion and other viable and effective options for dealing with offenders whose levels of dependency and are best evaluated and treated on a case-by-case basis.

Also on the ignition interlock front, a bill has been introduced in the Senate, with companion legislation in the House, calling for the National Highway Traffic Safety Administration (NHTSA) to research the feasibility, potential benefits of, and the public policy challenges associated with more widespread deployment of in-vehicle technology to prevent alcohol-impaired driving.

Included is a provision for \$60 million in funding over five years, or \$12 million per year.

The Research of Alcohol Detection Systems for Stopping Alcohol-related Fatalities Everywhere (ROADS SAFE) Act of 2011 (S. 510) was introduced by Sen. Tom Udall (D-NM) in the Senate, with its companion bill, H.R. 2324, introduced by Rep. Shelly Moore Capito (R-WV) in the House.

Alcohol Tax Rollback Bills Sprout in the House & Senate Debit

One spirits and four beer tax rollback bills have been introduced in Congress this summer as the beverage industry continues to fight for tax fairness on its products.

The Small Distillery Excise Tax Act of 2011 (H.R.

Transportation Bill, Alcohol Taxes, and Fake ID's from China

777) would reduce the tax rate on small distilled spirits producers by crediting 80% of the tax on the first 65,000 proof gallons produced per year by a small distilled spirits producer.

A small distilled spirits producer is defined as any person who produces not more than 100,000 proof gallons of distilled spirits per year.

Of the beer tax bills, two have been introduced in the House with their companion bills having been introduced in the Senate.

The Brewers Excise and Economic Relief (BEER) Act of 2011, H.R. 1675 in the House and S. 1111 in the Senate, would reduce the tax rate on beer from \$18 to \$9 per 31 gallon barrel. They would also reduce the tax rate on beer for "small brewers" from \$7 to \$3.50 per barrel.

The second set of beer tax bills would have the same effect but go by different names.

The Senate bill, the Brewer's Employment and Excise Relief (BEER) Act of 2011 (S. 534), would lower tax rates for qualified small brewers in the United States and increase the amount of beer that can be produced by these small brewers.

The definition of a "Small brewer" would be increased from a producer of 2,000,000 to 6,000,000 barrels per year.

The tax rate on first 60,000 barrels would be reduced from \$7 to \$3.50 per gallon, with the tax rate for next 1,940,000 barrels reduced from \$18 to \$16 per barrel.

Its House counterpart is the "Small Brewer Reinvestment and Expanding Workforce Act" or "Small BREW Act" (H.R. 1236).

Swipe Fee Reform Upheld in Senate; Federal Reserve Issues Final Rules

Legislation to delay implementation of debit card swipe fee reforms (S. 575), was defeated in the Senate on June 8th.

Supporters of an amendment offered by Senators Jon Tester (D-MT) and Bob Corker (R-TN) garnered only 54 of the 60 votes necessary to prevent the reforms from going into effect.

Forty-five Senators sided with small business and ABL's position by voting against the amendment and for moving forward with reform.

The vote paved the way for the Federal Reserve to move ahead with its final rule for implementing reforms that require debit card swipe fees to be "reasonable and proportional" to the actual costs of processing debit card transactions.

On June 29, the Fed announced its final swipe fee rule, setting the debit swipe fee cap at \$0.21 plus 0.05% of the transaction amount, down from the average of \$0.44 per transaction.

The Fed also delayed implementation of the new rules until October 1, 2011.

For the first time ever, there is a hard cap on debit card swipe fees, which will provide a return to retailers and their customers.

The law provides an example for future efforts to reform swipe fees and bring transparency to card payment systems.

CARE Act Update

The Community Alcohol Regulatory Effectiveness (H.R. 1161) now has 103 cosponsors. No hearings have been scheduled nor has a Senate version of the bill been introduced at this time.

The bill, which has pitted alcohol suppliers against wholesalers, has been lobbied hard by both sides in Congress and the media. ABL has not taken a position on the CARE Act at this time.

Senator Pressing for End of Fake Ids from China

U.S. Senator Chuck Schumer (D-NY) is urging the Department of Homeland Security to work with wire transfer companies to prohibit sending funds to foreign companies – primarily located in China – for the purchase of high-quality fake IDs.

This new breed of hyper-accurate fake IDs are becoming more popular amongst college students and would-be underage drinkers.

"The problem is they are indistinguishable," Schumer said. "These aren't like the old days when someone made fake ID with a typewriter in his college dorm room."

The fake IDs retail for \$100 to \$200 and appear to be identical to valid, government-issued forms of identification.

In addition to problems these IDs pose for those who are working to prevent underage purchases of alcohol, they also present national security threat.

In May, reports surfaced from New Jersey that these high-tech IDs were being used by underage individuals to enter bars and nightclubs in Jersey shore towns.

Diane Weiss, Executive Director of the New Jersey Licensed Beverage Association, said that NJLBA and its members are very concerned about fake IDs.

She said that NJLBA is in close contact with state Alcohol Beverage Control board the Department of Motor Vehicle's Documents Fraud Unit and are working to develop a system to help spot the latest frauds.

state issues update

Massachusetts: Diverse Coalition Opposes Bottle Bill; Supports Real Recycling

Small businesses, unions, trade associations and citizens across Massachusetts have announced a coalition, Real Recycling for Massachusetts, in opposition to a costly and inefficient proposal that would expand the current five cent fee on soda and beer containers to include every bottle and can of 100 percent juice, juice drinks, iced tea, bottled water, flavored water, sports drinks and other beverages.

Expanding the bottle bill would cost retailers, grocers and beverage companies millions of dollars per year in operating costs, causing the cost of beverage containers to increase, ultimately impacting the most those who can least afford it—low and middle income families and those living on fixed incomes. In 2009, a much more limited bottle bill expansion in New York resulted in plant closures and job losses to the state.

Real Recycling for Massachusetts believes in better ways to improve existing municipal recycling programs and extend them to more places, such as parks, arenas, stadiums, offices and theatres. Our lawmakers should be focusing their energy on comprehensive recycling programs—not counting our bottles and cans.

The coalition believes strongly that recycling throughout Massachusetts should be expanded through measures that are more effective and less costly—by building on existing infrastructure such as curbside pickup, as well as making it more convenient for residents to recycle outside of their homes.

Real Recycling for Massachusetts is a growing coalition of concerned citizens, businesses, and organizations, including the Massachusetts Beverage Association. For more information and to help prevent this costly and ineffective bottle bill measure, visit RealRecyclingMass.com.

Washington: Ballot Initiative

After failing to in their efforts last fall a the ballot box, a coalition of big-box retail interests led by Costco, has gathered enough signatures to have Initiative 1183 or “I-1183” place on the ballot on Election Day in November. The Seattle Post-Intelligencer reports that the California-based grocery store Trader Joe’s has contributed \$50,000 to the effort.

This ballot initiative would close state liquor stores and sell their assets, including the liquor-distribution center. I-1183 would allow private stores to sell liquor and create licensing fees for sale and distribution of liquor based on sales revenues.

I-1183 allows retailers, including grocery stores, the ability to purchase liquor, wine and beer directly from producers. As a result, large retailers (for example, Costco, Wal-Mart, and other large grocery chains) can completely bypass distributors when ordering. I-1183 also allows retailers, including grocery stores, to distribute alcohol through their existing distribution networks.

As a result, large retailers will compete against distributors using their own existing distribution networks.

I-1183 also expands certain additional sales taxes and taxes per liter to apply not only to every retail sale, but to each sale in the supply chain. I-1183 limits liquor sales to retail stores with 10,000 or more square feet, with some exceptions.

New York Keeps Wine in Package Stores

For the third consecutive year, the New York State legislature did not move to allow wine sales in grocery stores. A coalition of package stores, New York State wineries and small businesses that coalesced around the “Last Store on Main Street” campaign led a vocal opposition to any attempts to allow wine in grocery.

The New York wine industry provides more than \$3.5 billion to the statewide economy, despite relatively little formal promotion and advertising from the state.

Maryland: Maryland Liquor Stores Receive Alcohol Tax Increase

The Maryland General Assembly passed an alcohol excise tax increase in April, and the bill was signed into law by Gov. Martin O’Malley in May. The tax brings the tax for beverage alcohol to 9%, as opposed to the 6% tax for other goods and services.

While Maryland State Licensed Beverage Association members testified in hearings in the Maryland Senate, the House did not hold any hearings on the issue, and did not hear oral testimony from industry members at all. In addition to the increase itself, the legislature enacted the increase on July 1. Business owners strongly opposed the increase’s start date on the Friday preceding the holiday weekend.

Pennsylvania: State Senate Panel Considering Direct Shipment Wine From Outside The State

State lawmakers are considering proposals that would allow out-of-state wineries to ship their wares directly to Pennsylvanians. The Pennsylvania Liquor Control Board endorses direct-shipment legislation, so long as its intent is to provide wines that aren’t already in state stores.

Idaho: State’s liquor income hits \$50 million

The *Idaho Statesman* reports that the state earned \$50.1 million last year from sales of liquor.

Total liquor sales were \$144 million, according to the Idaho State Liquor Division. People paid 4.7 percent more, for 3 percent more bottles, during the fiscal year that ended June 30.

calendar of events

SEPT 11-13, 2011

ILLINOIS LICENSED BEVERAGE ASSOCIATION
126TH ILBA ANNUAL CONVENTION &
MEETING
EFFINGHAM, IL

SEPT 12-15, 2011

MONTANA TAVERN ASSOCIATION
56TH ANNUAL MTA CONVENTION & TRADE
SHOW
RED LODGE, MT

SEPT 19, 2011

OHIO LICENSED BEVERAGE ASSOCIATION
BUCKEYE BAR EXPO
COLUMBUS, OH

SEPT 20-22, 2011

ALASKA CHARR
ANNUAL CONVENTION
KENAI, AK

OCT 3-6, 2011

TAVERN LEAGUE OF WISCONSIN
FALL 2011 CONVENTION & TRADE SHOW
APPLETON, WI

OCT 12, 2011

MASSACHUSETTS PACKAGE STORES
ASSOCIATION
MASSPACK TRADE SHOW
MARLBOROUGH, MA

OCT 15, 2011

INDIANA ASSOCIATION OF BEVERAGE
RETAILERS
BEER, WINE & SPIRITS INDUSTRY TRADE
SHOW
INDIANAPOLIS, IN

OCT 15-17, 2011

AMERICAN BEVERAGE LICENSEES
FALL BOARD OF DIRECTORS MEETING
INDIANAPOLIS, IN

OCT 20, 2011

NEW JERSEY LIQUOR STORE ALLIANCE
5TH ANNUAL HOLIDAY PACKAGE TRADE
SHOW
EDISON, NJ

ABL President Chuck Ferrar Participates in Retail Panel at Beer Institute Annual Meeting in Boston

Members of the Beer Institute convened in Boston, Massachusetts in early August for their annual meeting, where they celebrated the organization's 25th anniversary.

The more than 100 attendees were comprised of brewers, importers, suppliers, wholesalers and other invited guests. The meeting focused on the beer industry's economic contributions to the U.S. economy, the "brand of beer," the industry's responsibility efforts and the positive impact beer has on society.

"We always have to keep people aware of how important we are to the U.S. economy," said Anheuser-Busch CEO and Beer Institute Chairman Dave Peacock.

"In a country that is moving away from a manufacturing economy to a service economy, our industry represents something unique and special."

The meeting's special guest speaker, U.S. Senator Scott Brown (R-MA), underscored the need to foster a more friendly business climate in Massachusetts and around the country – including lowering excise taxes on beer – so the industry can continue to grow and create jobs.

The meeting also featured a retailer panel, which focused on the role brands play in their businesses.

ABL President Chuck Ferrar of Bay Ridge Wine and Spirits in Annapolis, Maryland addressed the general session along with Buffalo Wild Wings' president Sally Smith and Marc Bruno from ARAMARK.

Ferrar talked the policies and procedures he has instituted in his business to ensure responsible sales to those of legal age. He also discussed the strong relationship he and the Maryland State Licensed Beverage Association have with their beer distributors and the state liquor board.

Distilled Spirits Council Applauds WTO Ruling on Philippines' Discriminatory Spirits Taxes

The Distilled Spirits Council applauded the decision in August by a World Trade Organization (WTO) dispute settlement panel, which concluded that the Philippines' discriminatory excise tax on distilled spirits violates WTO rules.

Further, the Council urged the Philippine government to revise its excise tax structure immediately to comply with the ruling. The WTO action followed the U.S. government's decision in January 2010 to launch a formal WTO dispute against the Philippines' excise tax regime.

Brewers Association Reports 2011 Mid-Year Growth for U.S. Craft Brewers

The Brewers Association, the trade association representing the majority of U.S. brewing companies, has released strong mid-year numbers for America's small and independent craft brewers.

Dollar sales were up 15 percent in the first half of 2011, excluding brewers who left the craft segment in 2010. Volume of craft brewed beer sold grew 14 percent for the first six months in 2011, compared to 9 percent growth in the first half of 2010. Barrels sold by craft brewers for the first half of the year are an estimated 5.1 million barrels.

Despite many challenges, the mid-year numbers show signs of continued growth for craft breweries. The industry currently provides an estimated 100,000 jobs, contributing significantly to the U.S. economy. The U.S. now boasts 1,790 breweries—an increase of 165 additional breweries since June 2010.

The Brewers Association also tracks breweries in planning (see graphic, right) as an indicator of potential new entrants into the craft category, and lists 725 breweries in planning today compared to 389 a year ago. Additionally, the count of craft brewers was at 1,740 as of June 30, 2011.

Fourth Annual Alcohol Law Symposium Education Session Topics Announced

The Center for Alcohol Policy (CAP) Fourth Annual Alcohol Law Symposium to be held September 11-13, 2011 in Chicago, Illinois, will feature 10 educational sessions on issues currently at the forefront of alcohol law. Each session will feature experts - including professors of alcoholic beverage law, state regulators, attorneys general, and industry officials - who will discuss and debate current alcohol laws and challenges.

The keynote address will be delivered by Washington Attorney General and National Association of Attorneys General President Rob McKenna, who will discuss the role state attorneys general play in policy debates about alcohol; a state's role under the 21st Amendment; society's interest in fighting the abuse of alcohol, underage drinking and crime; and protecting small businesses and consumers.

The CAP works with state continuing legal education (CLE) boards to provide attending attorneys with CLE credits. For more details about the 2011 CAP Alcohol Law Symposium, including a list of speakers and schedule, visit www.centerforalcoholpolicy.org or email info@centerforalcoholpolicy.org.

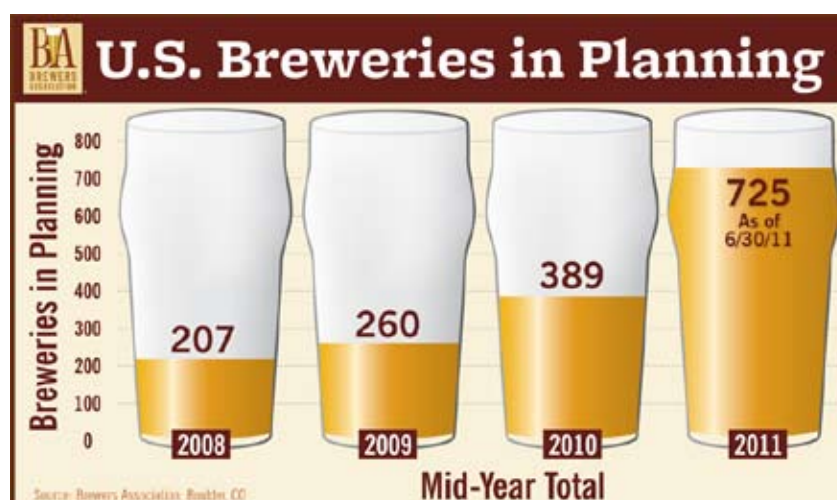
Sky Ranch Foundation to Aid Charities for Troubled Teens. East & West Coast Events in September Launch Funds Drive

After 50 years of coordinating alcohol beverage industry support for Sky Ranch for Boys, the Sky Ranch Foundation has now broadened their scope to offer financial help to worthy programs helping troubled boys and girls nationwide. This move came following the decision by Sky Ranch for Boys to close their doors earlier this year in the face of trends favoring community-based programs over remote facilities such as Sky Ranch operated. Funds raised through these and other initiatives will help make sure that troubled kids get the second chance they deserve. Beverage industry members and friends will have two important opportunities in September to renew their support of industry efforts helping troubled kids.

Two key events will raise funds for Sky Ranch Foundation, which has been leading industry efforts in this area since 1960. The first event is part of the Spirits of Mexico Festival hosted by the Polished Palate in Old Town San Diego, September 11-18. Rare spirits and other items worth more than \$30,000 have been donated for a live auction on Friday evening, September 16 and a silent auction on Saturday, September 17, with all profits going to Sky Ranch Foundation! Learn more about this amazing week-long festival at www.polishedpalate.com.

On September 26, the 25th Annual Metro DC Charity Golf Tournament & Auction is being sponsored by Sky Ranch Foundation at the National Golf Club at Tantallon in Fort Washington, Maryland.

See www.skyranchfoundation.org for details or call foundation headquarters at 540-891-7201.



An Easy Recycling Guide

What businesses recycle and how they do it is quickly becoming a topic of debate in state legislatures and city governments throughout the country. As governments seek new avenues for raising capital in a bad economy, business owners bear the brunt of additional responsibilities and expensive fines for noncompliance.

With this in mind, it is important that ABL members understand the local regulations surrounding the disposal of trash and recycling in their area. Taking a stance toward responsible stewardship is the first step to effective advocacy in the community on potentially harmful legislation.

Customers should know that you are making an effort to save energy or recycle materials, so clearly state what it is you have done whether it is installing new energy-efficient fixtures, or using recycled packaging.

The guide below is a quick reference you might find helpful, but be sure to check the local rules and laws for your recycling facilities.

Plastics

Do Recycle

- plastic bottles (must remove caps, pumps, sprayers and lids)
- milk containers
- drink bottles
- cleaning product and bleach bottles
- shampoo and bubble bath bottles

Don't Recycle

- plastic bags
- plastic wrap
- plastic bottle tops
- plastic cups
- packing peanuts or styrofoam
- clear food containers
- plastic egg boxes
- photos or film
- pesticides and herbicides
- garden plastics and flower pots
- food storage and microwave containers
- yogurt and margarine tubs
- window glass or mirrors
- incandescent or fluorescent bulbs
- dishware or ceramics

Glass

- glass food and beverage containers (don't need to remove labels)
- wine bottles
- clear, green or amber in color glass jars (don't need to remove labels)
- glass food and beverage containers (don't need to remove labels)
- clear, green or amber in color glass jars (don't need to remove labels)

Metals

- aluminum cans
- tin, steel and bi-metal cans
- aerosol cans, empty and without pressure
- metal lids from jars, cans and bottles
- metal food trays

- aluminum foil
- pie pans
- scrap metal
- foil juice bags
- coat hangers
- propane tanks

Paper

- milk cartons
- juice containers
- newspaper and inserts
- magazines
- junk mail
- office paper
- telephone books and catalogs
- cardboard (flattened)
- cereal boxes or 6-pack cartons
- brown paper bags
- egg cartons (paperboard only)
- shredded paper
- frozen food packaging
- soft cover books

- waxy cardboard or paper ice cream containers
- pizza boxes
- towel or tissue rolls
- rubber bands
- plastic wrap from newspapers
- photos
- remove plastic and foil from cereal boxes
- blue print paper
- cardboard saturated with poultry or meat juices
- packing material
- bar soap or detergent bottles

associate members

ABL maintains a robust Associate Membership roster, with membership support coming from all levels of the beverage alcohol industry.

DIAMOND

Beer Institute
Diageo
National Beer Wholesalers Association
Wine & Spirits Wholesalers of America

PLATINUM

Bacardi USA
Beam, Inc.
Distilled Spirits Council of the United States

GOLD

Brown Forman
Castle Brands
Charmer-Sunbelt Group
Pernod Ricard USA
Republic National Distributing Co.
Wirtz Beverage Group

SILVER

Constellation Brands
Moet Hennessy USA
Monarch Beverage Company
Patron Spirits Company
Remy Cointreau USA

BRONZE

Admiral Imports
ATM Network
Luxco
Sidney Frank Importing

affiliate members

ALABAMA

Alabama Beverage Licensees Association

ALASKA

Alaska CHARR
Anchorage CHARR

ARKANSAS

Arkansas Beverage Retailers Association

COLORADO

Colorado Licensed Beverage Association

CONNECTICUT

Connecticut Package Stores Association

FLORIDA

Retail Beverage Council of the Florida Retail Federation

GEORGIA

Georgia Alcohol Dealers Association

ILLINOIS

Beverage Retailers Alliance of Illinois
Illinois Licensed Beverage Association

INDIANA

Indiana Association of Beverage Retailers
Indiana Licensed Beverage Association

KANSAS

Kansas Licensed Beverage Association

KENTUCKY

Kentucky Association of Beverage Retailers
Kentucky Licensed Beverage Association

MARYLAND

Maryland State Licensed Beverage Association

MASSACHUSETTS

Massachusetts Package Stores Association

MINNESOTA

Tavern League of Minnesota

MISSISSIPPI

Mississippi Hospitality Beverage Association

MONTANA

Montana Tavern Association

NEVADA

Nevada Tavern Owners Association

NEW JERSEY

New Jersey Liquor Stores Alliance

NEW YORK

Empire State Restaurant & Tavern Association

Metropolitan Package Store Association

New York State Liquor Stores Association

OHIO

Ohio Licensed Beverage Association

OKLAHOMA

Retail Liquor Association of Oklahoma

RHODE ISLAND

Rhode Island Liquor Stores Association

SOUTH CAROLINA

ABC Stores of South Carolina

SOUTH DAKOTA

Licensed Beverage Dealers of South Dakota

TEXAS

Texas Package Stores Association

VIRGINIA

Virginia Licensed Beverage Association

WISCONSIN

Tavern League of Wisconsin

WYOMING

Wyoming State Liquor Association

WINE & SPIRITS GUILD OF AMERICA

ABL Insider

A PUBLICATION OF THE AMERICAN BEVERAGE LICENSEES | VOL. 5, NO. 3 | FALL 11

in this issue



Feature:
A Recap of the 2011 ABL
Convention in Milwaukee



DC Update:
Transportation Bill and
Alcohol Taxes



State Issues Update:
Bottle Laws and
a Big Box Ballot Initiative



Green Corner:
An Easy Recycling Guide

WWW.ABLUSA.ORG | WWW.FACEBOOK.COM/ABLUSA | WWW.TWITTER.COM/ABLUSA

is the preeminent national trade association for retail alcohol beverage license holders across the United States. Its members, who number nearly 20,000, are comprised of on-premise and off-premise retailers who annually help infuse billions of dollars into the American economy. ABL represents the interests of American small business owners and a historical part of the American way of life. Many members are independent, family owned operators who assure that beverage alcohol is sold and consumed responsibly by adults. |

American Beverage Licensees



American Beverage Licensees
5101 River Rd Suite 108
Bethesda, MD 20816
(888) 656-3241
www.ablusa.org

