

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, March 8, 2019

Issue 373

MEETINGS & EVENTS

[March 15-18 - Wine & Spirits Guild Spring Meeting | Destin, FL](#)
[March 19 - TLW Annual Legislative Day | Madison, WI](#)
[March 20 - ILBA Lobby Day & Legislative Reception | Springfield, IL](#)
[March 24-26 - 2019 ABL Annual Meeting | Las Vegas, NV](#)
[March 31-April 3 - WSWA 76th Annual Convention & Exposition | Orlando, FL](#)
[April 1-4 - TLW Spring Conference & Tradeshow | Appleton, WI](#)
[April 7-10 - NBWA Legislative Conference | Washington, DC](#)
[May 5 - MBDAPA 83rd Annual Convention & Tradeshow | Pocono Manor, PA](#)
[June 3 - ILBA Annual Golf Outing | Springfield, IL](#)
[June 10-12 - Beverage Alcohol Retailers Conference | Louisville, KY](#)
[July 29-31 - ECRS Ignite 19 Retail Success Conference | Nashville, TN](#)
[September 9-11 - MTA Annual Convention & Tradeshow | Sidney, MT](#)
[September 12 - IABR Fall Golf Outing | Indianapolis, IN](#)
[September 15-17 - ILBA Annual Convention & Tradeshow | LaSalle, IL](#)
[October 10 - IABR Annual Meeting & Board of Directors Meeting | Indianapolis, IN](#)

ABL & PUBLIC POLICY News

Implementation of the Music Modernization Act: Copyright Office Issues Solicitation for Mechanical Licensing Collective: Signed into law on Oct. 11, 2018, the Orrin G. Hatch-Bob Goodlatte Music Modernization Act (MMA) reforms U.S. Copyright law in significant ways that will affect the licensing of digital music. Pursuant to pre-MMA copyright law, “mechanical” licenses for reproduction and distribution of musical works in phonorecords were obtained by licensees on a per-work, song-by-song basis. Under the MMA, Section 115 of the Copyright Act, which covers compulsory licenses for making and distributing phonorecords, has been modified to provide for a new blanket license for digital music providers to engage in specific covered activities.

ASCAP, BMI Propose Interim, Time-Limited Consent Decrees to DOJ: As the Justice Department ponders when, how and whether to lift consent decrees on how the major music licensing organizations can collect fees from broadcasters, cable operators and others, the aforementioned organizations have laid out a suggested road map for revision. Actually it is a plan for new, transitional, decrees on the way to eliminating them entirely. The decrees affect how those organizations collect fees from programmers and distributors for music in their content.

Should Legal Blood-Alcohol Content Level Be Lowered in Name of Safety? (Op-Ed) : In the United States, motor vehicle accidents are a leading cause of injury and death. With 29 Americans losing their lives to alcohol-related driving incidents daily, alcohol consumption is the single greatest contributing factor. A heated public debate has resulted surrounding the legal blood-alcohol concentration (BAC) level and new legislation has been proposed to lower the legal limit.

[Beto O'Rourke Calls for Nationwide Legalization of Marijuana](#): Former Rep. Beto O'Rourke (D-Texas) on Monday expressed support for the federal legalization of marijuana as he mulls a potential presidential bid in 2020. CNN reported that O'Rourke sent an email to supporters in which he backed the repeal of the federal criminalization of marijuana and called for the records of those jailed over marijuana possession to be expunged.

[Cannabis Tax Revenues on a Steep Rise in Early-Legalizing States](#): Less than five full years since recreational marijuana became fully legal in Washington state, tax collections have exceeded \$1 billion cumulatively, according to Impact Databank. Last year, Washington's cannabis tax revenues amounted to \$370.3 million, a 9% increase over 2017. Since July of 2014, when marijuana became legal, Washington has collected a total of \$1.12 billion in revenues.

[North America Ignition Interlock Devices Market Is Expected to Reach \\$48.8 Million by 2021](#): Persistence Market Research (PMR) announces the release of its latest report titled "North America Market Study on Ignition Interlock Devices: Increasing Incidences of DUI to Catalyze IID Demand in North America ". According to the report, the North America ignition interlock devices market has been estimated to account for US\$ 35.1 Mn by 2015 end and is expected to reach US\$ 48.8 Mn by 2021 at CAGR of 5.6% during the forecast period.

[Aluminum Pricing Examination Act Re-Introduced into Congress](#): Trade associations representing American's beer and beverage industries praised Representatives Al Lawson (D-FL) and Ken Buck (R-CO) for reintroducing the Aluminum Pricing Examination (APEX) Act (H.R.1406), bipartisan legislation that would enhance the Commodity Futures Trading Commission (CFTC) and Department of Justice's (DOJ) authorities over aluminum price benchmarking entities, including those that publish the Midwest Premium.

[Total Wine's Owner Backs U.S. Federal Minimum Wage Hike](#): The owner of Total Wines, who was elected to Congress in last November's mid-terms, has thrown his weight behind a US bill to more than double the minimum wage to \$15 by 2024 - although a local newsite claims some of Total Wine employees are currently paid below the proposed new level. The new Democratic Congressman, who founded Total Wines with his brother in 1985, said he would vote the pass the Raise the Wage Act, which he helped co-sponsor, that aims to raise the federal minimum wage from around \$7.25 an hour to \$15.

[Hickenlooper: Federal Government Shouldn't Decide Whether to Legalize Marijuana](#): Former Colorado Gov. John Hickenlooper on Wednesday advocated for federal reforms to marijuana, but said he does not advocate for blanket laws to legalize marijuana nationally. "I don't think the federal government should come in and tell every state it should be legalized," Hickenlooper told reporters in Denver, responding to a question about his support for legalizing marijuana nationwide.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter - Weekly News \(March 8\)](#)

3x3 Insights

[Retail Untapped: It's Your Turn - Vote on the Next Episodes](#)

[Retail Untapped Episode 15: High-End Brand Baskets](#)

Alcohol Law Advisor

[Second Circuit Rejects Total Wine Challenge of Connecticut Pricing Laws](#)

[A History of Alcohol Law](#)

Alcohol Law Review

[Total Wine Seeks Full 2nd Circuit En Banc Review on Challenge to Connecticut Pricing Laws](#)

JD Supra

[FDA Open to "Alternative Approaches" to Regulating CBD](#)

National Conference of State Liquor Administrators
[NCSLA Presents "Regulation Matters"](#)

Shanken News Daily
[On-Premise Cannabis Under Consideration In Key Markets](#)

Law.com
[State Regulation of Alcohol and the Dormant Commerce Clause](#)

VinePair
[VinePair Launches Fresh Approach to Wine & Beer Reviews, Along with Site Redesign](#)

AFFILIATE News

Indiana Association of Beverage Retailers
[One Year Later, Sunday Alcohol Sales Become Part of Routine](#)

A year after Sunday alcohol sales became legal in Indiana, liquor store owners have adjusted to the routine. "It's leveled out," Rachel Burkholder from Cap n' Cork told WANE 15 News. "It's pretty par for the course. Just like you have your routine visitors that stop by every Monday or Tuesday, you have your Sunday crowd. I think we're creatures of habit." After years of debate in the statehouse about legalizing Sunday sales, it became a reality with Governor Eric Holcomb's signature last February.

STATE & LOCAL News

[California: State Could Adopt Strictest Drunken Driving Limit in Nation, Taking a Cue from Utah](#): It could soon be a lot easier to be busted for drinking and driving. California Assemblywoman Autumn Burke, D-Marina Del Rey, and Assemblyman Heath Flora, R-Ripon, have introduced a bill that would nearly halve the maximum allowed blood alcohol content for driving, from .08 to .05. Assembly Bill 1713 is in line with a 2013 National Transportation Safety Board recommendation.

[Connecticut: Liquor Store Owners Oppose Liquor Law Changes](#): Mom and pop liquor store owners from around the state were at the Capitol Thursday to urge lawmakers to keep big-box stores from undercutting their way of life. Liquor stores are able to level the playing field against those stores due to "minimum bottle pricing," which sets a minimum price for alcoholic products. While there are no proposals this year to end minimum pricing, several bills would let big-box retailers get more alcohol permits.

[Florida: Bill Would Legalize Recreational Marijuana in State](#): Florida has already legalized medical marijuana, and now there's a push to legalize recreational use as well. Florida House Bill 1117 would allow adults, ages 21 and over, to legally possess, use and transport up to 2.5 ounces of marijuana and grow up to six plants. It would be regulated similar to alcohol. Under the bill, it would still be illegal to smoke or ingest marijuana in a public place. Violators would be subject to a penalty of \$100.

[Florida: 2019 Legislative Session Preview - Booze Bills Spotlight Distillers](#): While craft beer has dominated alcoholic-beverage related legislation in recent Sessions (remember growlers?), bills this year are focusing on craft distillers. The main measure getting attention so far has been St. Petersburg Republican Jeff Brandes' bill (SB 220), which already cleared two Senate committees with nary a vote against it. The tug of war is clear: The distillers want to be able to sell more of their own product like craft brewers and in-state wineries already do, even shipping liquor out of state.

[Kansas: Higher Alcohol Content Beer Sales to Be Allowed in Grocery, Convenience Stores](#): A big change is coming on the Kansas side of the border that's been fought about for years. Higher alcohol content in beer will be sold at grocery and convenience stores starting on April 1. Currently, beer with a 3.2 percent alcohol content are allowed to be sold in the convenience and grocery stores but with this new law, up to six percent is allowed. It's something companies like QuikTrip said is long overdue.

Massachusetts: Beer Distributor Loses Antibribery Appeal: The Supreme Judicial Court has sided with Massachusetts alcohol regulators in a legal fight with a large beer distributor over the state's ban on so-called pay-to-play arrangements in the industry. The state's highest court Thursday sided with a Suffolk Superior Court judge who ruled in 2017 that the Alcoholic Beverages Control Commission correctly applied antibribery rules against Everett-based Craft Brewers Guild that had improperly paid bars to put its products on tap.

Massachusetts: Alcoholic Beverage Commission Sees 66 Percent Spike in Licenses, Permits: This year's state budget boosted funding for the Alcoholic Beverage Control Commission for the first time in over a decade, Treasurer Deb Goldberg said Tuesday, asking lawmakers for more money so the agency "does not lose any of the momentum it has just attained." Goldberg told the House and Senate Ways and Means Committee on Tuesday that the funding hike from \$2.44 million to \$3.69 million in fiscal 2019 allowed the commission to make all three of its commissioners full-time, instead of just one, consequently eliminating licensing backlogs.

Maryland: Booze! Causing Political Fights for 100 Years: There's a war raging between Maryland Comptroller Peter Franchot and State Sen. Ben Kramer (D-District 19). It's over a bill currently under consideration in the General Assembly that would move regulation of alcohol, tobacco and gasoline from the comptroller's office to a new state agency. To understand why Maryland's tax collector is the person responsible for alcohol regulation in the state, you have to go back 100 years to that period in American history known as Prohibition.

New Mexico: Are State-Run Cannabis Sales 'The Smart Way'?: New Mexico's medical cannabis market finished 2018 with \$106 million in sales across 35 licensed producers in the state. This represents a \$19.6-million increase from the prior year. After years of serving cannabis patients, an expansion to recreational use may soon occur. According to a recent poll, 60 percent of New Mexico voters support marijuana legalization. Lawmakers have heard from voters and seen the figures that justify legislation.

New York: Governor's Bill to Legalize Marijuana Denounced by Police: Don't do it! In the in-ter-est of public safety." The mes-sage could not be more ex-plicit. It comes from Irv-ing-ton's Chief of Po-lice Michael Cerone in re-sponse to Gov-er-nor An-drew Cuo-mo's plan to le-gal-ize recre-ational mar-i-juana use in New York State. "If you were to ask all the chiefs, com-mis-sion-ers and sher-iffs, and all law en-force-ment of-fi-cials through-out the state and na-tion, you will hear one voice... and it would stress that mes-sage," Cerone stated.

New York: Water Bottles Marketed to Look Like 40s Anger Brooklyn Residents: An activist group in Brooklyn, N.Y., has demanded that a brand of water be taken off their local market's shelves, claiming that its packaging, which resembles a bottle of malt liquor, is "detrimental to the community." Ounce Water, founded in 2015 by "Sons of Anarchy" star Theo Rossi and his wife Meghan McDermott, has found itself at the center of the controversy in Canarsie after a neighbor went into Food World Supermarket to discover its problematic packaging.

North Carolina: City Digging in Heels Over ABC Store: Mount Airy officials are resisting an effort to privatize liquor stores statewide, citing adverse effects they fear will result from altering the present system of governmental control over ABC sales. Proposed legislation has surfaced in the N.C. General Assembly that would make sweeping changes in that system, including allowing sales of liquor at retail establishments already providing beer and wine. A bill seeking to modernize state ABC laws also would permit localities to adopt ordinances for liquor stores to sell beverages on Sunday.

North Carolina: Alcohol Enforcement Agents Arrest More Than 123: North Carolina officials say Alcohol Law Enforcement special agents arrested more than 123 people during a statewide crackdown over the weekend. The State Bureau of Investigation announced in a release Monday that agents partnered with local, state and federal agencies to make the arrests on alcohol, drug, firearm and gambling charges. Officials say the effort targeted violence and illegal activity anywhere alcohol was sold, legally and illegally.

North Dakota: State and Reservations Looking to Share Alcohol, Tobacco Tax Revenue: A bill discussing a tax agreement between the state and the tribes is in the works. The bill aims to share tax revenue from tobacco and alcohol sales on the reservations. The tax on alcohol across the state is 7 percent. The reservations say they haven't gotten revenue for those sales since it became legal. Tribal members are asking the state to come to an agreement where both of them would benefit from the tax on goods.

Oregon: Kiauna Floyd Appointed to OLCC's Board of Commissioners: Kiauna Floyd has joined the Oregon Liquor Control Commission as Commissioner representing the Third Congressional District (western Multnomah County, northeastern Clackamas County). She will be actively participating in the monthly Commission meetings beginning March 21, 2019. Commissioner Floyd is an Oregon native, and has been involved in the restaurant and hospitality Industry since 1995.

Oregon: Like Wineries, Proposed Law Would Allow Breweries at Oregon Hop Farms: A legislative work session Tuesday afternoon at the capitol continues efforts to allow hop growers to build breweries on land they own or lease. Senate Bill 287 would allow a "farm brewery" to brew up to 150,000 barrels of malt beverage on a hop farm of at least 25 contiguous acres. There may be kitchen facilities for agri-tourism, charitable and commercial events, not to exceed 18 days a year and each event approved and monitored by a local government.

Tennessee: Why a Tobacco Giant Supports Raising State's Smoking Age: The Tennessee legislature is considering whether to raise the smoking age from 18 to 21. It's a move that even has some support from one of the world's largest tobacco conglomerates. There are at least three proposals floating around the legislature that would increase the age to buy tobacco products, including – importantly – electronic cigarettes. The sponsors pitch it as a simple and logical step to improve the state's health since Tennessee has one of the highest rates of smoking and deaths from related disease.

Texas: New Campaign Urges Young Drivers to 'Plan While You Can', Get Sober Ride: A new campaign by the Texas Department of Transportation is reminding college students and young adults to plan a sober ride before the party starts. With Spring Break around the corner, "Plan While You Can" looks to lower the number of crashes involving young impaired drivers. Last year during Spring Break in Texas, there were 444 crashes involving young drivers driving under the influence of alcohol.

Texas: Should Texas Have Stricter Blood Alcohol Laws?: A new bill in the New York State Assembly would change the legal blood alcohol limit from .08 to .05. If passed, that would mean drivers could have nearly half as much alcohol in their system before being considered legally impaired. In promoting the proposed measure, lawmakers there cited a recent report from the National Academies of Sciences, Engineering, and Medicine that called for a lower blood alcohol content (BAC) limit in order to curb alcohol-impaired driving deaths.

Utah: 'Rougher Ride' Expected for 4.8 Beer Bill in House: A Utah House committee will decide Wednesday morning whether to advance or block the plan to sell stronger, 4.8 beer in grocery and convenience stores. 2News asked the House Health and Human Services Committee chairman, Orem Republican Rep. Brad Daw, if the bill could be killed. "Who knows? It's a possibility," Daw responded. "The thing is, you have a committee whose first and foremost job is to look after the health and human services of the state. Of course, nobody really thinks alcohol is a healthy option."

Utah: Lawmakers Worry the Fight Over Higher-Alcohol Beer Might Lead to a Liquor Ballot Initiative in 2020: Some Utah lawmakers fear the failure to pass a bill allowing grocery and convenience stores to sell higher alcohol-content beer could lead to a liquor themed voter initiative in the 2020 election. SB132 from Sen. Jerry Stevenson, R-Layton, increases the alcohol content in beer sold outside of state liquor stores from 3.2 to 4.8 percent. The legislation is a response to market changes as fewer states are selling the lower alcohol beer - Utah is one of the last to sell 3.2.

Vermont: Town Votes to Get Rid of Prohibition-Era Ban on Alcohol: A small Vermont border town has overturned a Prohibition-era rule banning the sale of alcohol. Holland was previously one of only four dry towns in the state, a distinction shared with Maidstone, Baltimore and Athens. WCAX-TV reports the residents of the 600-person town voted to overturn the ban on selling alcohol during Town Meeting Day Tuesday. The vote passed with no opposition.

Virginia: New Advisory Committee Will Address Alcohol, Drug Use at Colleges and Universities: Troubling and, in many cases, dire consequences of alcohol and other drug use among students at Virginia's colleges and universities compelled the commonwealth's Commission on Youth to team up with the Virginia Alcoholic Beverage Control Authority (ABC) to find more effective ways to address this persistent and growing public health and safety problem.

Washington: UW Fraternities Opt to Enact Ban on Hard Alcohol Early: Starting on September 1, 2019, fraternities at colleges across the country will not be permitted to have hard alcohol at parties. Closer to home at the University of Washington, that ban has already started. Back in August, the North American Interfraternity Conference (NIC) instituted a new rule, effectively banning all hard alcohol at fraternities across the country. UW's own Interfraternity Council (IFC) – in an effort to provide ample time to adjust to the rule – implemented the ban starting on Jan. 1 of this year.

Washington: New Bill Would Make Manufacturers, Retailers Liable for Plastic Waste: Lawmakers in the state of Washington are considering bills that would prohibit producers that don't participate in a plastic packaging stewardship organization from producing or selling items with plastic packaging in the state, according to The Daily Intake, which reports on the food and dietary supplement industries. House Bill 1204 and Senate Bill 5397 would include items packaged wholly or in part in plastic and go into effect in 2020.

West Virginia: Grant to Fund Study of State's Beer, Spirit Industry: A proposed craft beer and spirit trail running through central and western West Virginia is in the works after an Appalachian Regional Commission grant to the Marshall University Research Corp. in Huntington was announced as part of ARC's Power Awards for February 2019. The \$79,270 grant will allow the project to conduct an economic impact study of the emerging craft beer and spirits industry in the West Virginia counties of Cabell, Kanawha, Putnam and Roane. The study will identify emerging strengths, existing leakages, and new business and employment opportunities to guide local economic development leaders.

West Virginia: House Approves Bill That Ups Alcohol Limit in Craft Beer, Loosens Other Laws: West Virginia's craft beer laws are one step closer to being loosened after the House of Delegates cleared a bill Thursday calling for various changes. Craft brewers in the state would be able to make beer at a higher alcohol percentage under the bill. According to Senate Bill 529, the alcohol by volume limit for craft beer would increase from 12 percent to 15 percent. The bill would allow breweries to provide one ounce samples to customers.

BUSINESS & LIFESTYLE News

Women Who Have Shaped Whisky History: While the whisky industry was, for a long time, seen as male preserve there were some talented women who played leading roles at major brands. Fred Minnick shines a light on their groundbreaking work. Women's role in whisky has evolved drastically over the years. From the boardrooms to the warehouses and from the branding teams to the whisky clubs, women are situated firmly in the ranks of both the industry's rising stars and coveted target audiences.

Bud Light and Natural Light Are Determined to Win Over People Who Hate the Taste of Beer: Last week, Natural Light launched Naturdays: a strawberry lemonade-flavored beer that represents a seismic shift in the world of beer as beer giants struggle to win over millennials and Gen Zers. "We're trying to get people to rethink beer – especially people who maybe have dismissed beer and moved away," said Daniel Blake, Anheuser-Busch's senior director of value brands. This isn't Anheuser-Busch's only attempt to win over younger generations..

Millennials, Microbreweries and the Changing Beer Industry: The most exciting part about the largely uneventful 2019 Super Bowl came from a "Game of Thrones"-inspired Bud Lite commercial lambasting Miller and Coors Lite for using corn syrup in their products. But while these beer conglomerates duke it out in a frivolous argument inciting the wrath of corn farmers nationwide, microbreweries are popping up around the country and changing the landscape of the beer industry.

Pour One Out for the Fading American Beer Industry: At a recent frat party in the backroom of a Manhattan bar, beer was scarce. Students were instead sipping a more popular concoction that might make some drinkers' stomachs churn: tequila with soda water. James Houk, 21, was drinking a gin-and-tonic. The Columbia University senior's friends say they'll still buy a 30-rack of Natural Light for games like beer pong or the rare tailgate at the urban Ivy League school, but his crew generally sticks to liquor when they're out.

Drinking Alcohol May Be More Harmful Than Thought for Young Adults: Alcohol consumption may be more harmful than thought, particularly for young and middle-age adults, a new study suggests. Although drinking alcohol in moderation is often thought to be good for you, the authors point out that many studies on the benefits of alcohol consumption involve people ages 50 and older. This paints a skewed picture of the benefits of alcohol, because it eliminates people who have died from alcohol consumption at younger ages.

Making a Better Canned Cocktail: When importer Leith Shenstone drinks the vermouths that his company, Fasel Shenstone, brings to the States, it's often in a simple spritz: vermouth and bitters, with a splash of soda. And he has observed that these spritzes are an excellent gateway to aperitivo culture. While many casual drinkers have an aversion to vermouth, Shenstone finds that the taste of a simple vermouth spritz can change their mind. "People love them," he says.

No- and Low-Alcohol Products Now Make Up 8% of AB-InBev Beer Volumes: Approximately 8% of AB InBev's global beer volumes now come from no and low alcohol beers, as the world's largest brewer works towards its goal of 20% by 2025. "We're committed to leading innovation in this space," the company said. According to CEO Carlos Brito, the trick to succeeding is to have a wide range of products within the low/no alcohol category to appeal to a wide group of consumers and occasions.

2018 Global Wine Sales Volume Fell While e-Commerce and Cash Value Grew: The Netherlands-based Rabobank's first 2019 wine quarterly report, claims the Western European wine sales trend is stagnant, but online wine sales have been growing. Maria Castroviejo, Rabobank's senior beverages analyst says the, "first wine quarterly report of 2019 examines online wine sales in Europe and the benefits that e-commerce offers the industry. Global production, pricing and trade trends are also highlighted."

Control States and Their Influence on Your Whiskey Buying: If you haven't had the pleasure of trying to buy a spirit such as whiskey in a liquor control state, a few mental images might come to mind. Many tend to think of draconian laws, put forth by mobsters with political influence. Made-Men laughing in poorly lit, smoke filled rooms, with stacks of cash lining the tables. All while a 'Don Vito Corleone' type figure eats cannolis while deciding on who gets product, where product goes, and how much it sells for!

Americans Can't Get Enough Really Expensive Liquor: American drinkers have a taste for premium alcohol, and that's giving liquor from whiskey to tequila a boost. Spirits gained market share compared to beer and wine for the ninth straight year in 2018, according to the Distilled Spirits Council, a national trade organization that represents distilled spirits makers in the United States. Much of that growth has been driven by increased sales of super premium liquors: Luxury products that cost \$35 or more per bottle on average.