

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, April 5, 2019

Issue 376

MEETINGS & EVENTS

[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 9-10 - ABL Summer Board Meeting | Madison, WI](#)
[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

Female Lobbyists Change Face of the Beer Industry: The leading voices for the beer industry in Washington, D.C., are women, breaking the stereotype that beer is a male-dominated business, The Hill newspaper wrote today. The National Beer Wholesalers Association's leadership is highlighted in the article noting that NBWA has 12 women in its 15 senior-most positions. "We really do try to make a point of mentoring other women," said Lauren Kane, vice president of communications at NBWA.

Trump Border Wall Shutdown Will Affect Beer, Tequila, Avocado Supplies: President Donald Trump's plan to close the Mexican border will entail a huge economic cost to the U.S and the worst affected sectors will be food, agriculture and auto industry. Avocado supplies in the U.S will be badly hit as Mexico is responsible for 90 percent of its supply. According to estimates, the average daily supply of goods from Mexico is \$1.7 billion filling store shelves and factory floors.

Truckers Must Register with Federal Drug Database to Change Jobs Starting in 2020: The Federal Motor Carrier Safety Administration (FMCSA) has set out new rules that will require CDL truck drivers to register with a federal database before they are allowed to change jobs. The FMCSA's Commercial Driver's License Drug and Alcohol Clearinghouse will be a part of their employment-related background check and provide real-time information about CDL driver drug and alcohol violations.

DOJ's Consent Decree Termination Frenzy Ramps Up: The head of the Department of Justice's Antitrust Division says his team plans to file motions to terminate "hundreds" of consent decrees in the coming month. But Assistant Attorney General Makan Delrahim doesn't say whether the two decrees governing how radio licenses music use from ASCAP and BMI are on that list.

Cannabis Banking Bill Wins Approval in Crucial House Committee: A key U.S. House committee voted resoundingly Thursday to provide federal protection for financial institutions that serve state-authorized marijuana and ancillary businesses, a landmark development for cannabis banking legislation. The House Financial Services Committee voted 45-15 to advance the bill, the Secure And Fair Enforcement (SAFE) Banking Act, after amending it to include provisions to provide a safe harbor

for insurance companies and improve access of financial services to minority- and women-owned cannabis businesses.

[Responsibility.org Partners with WSWA to Launch “Think Responsibly” Campaign](#): Responsibility.org today launched Think Responsibly, a new campaign directed to millennial adults, in partnership with Wine & Spirits Wholesalers of America (WSWA) and the Distilled Spirits Council of the United States (DISCUS) at the wholesalers’ 76th annual convention in Orlando. The campaign, geared toward millennials of legal purchase age who choose to drink, aims to increase their intention to drink responsibly through digital messages that underscore responsible drinking decisions.

[FDA Sets First Hearing on CBD in May as the Agency Looks at Legalizing the Cannabis Compound to Add to Food and Drinks](#): The Food and Drug Administration has set its first public hearing on legalizing CBD in food and drinks, to figure out how to regulate the newly legalized cannabis product. The hearing will take place on May 31. The agency wants data on CBD’s safety in food products and feedback on how it might regulate manufacturing, marketing and labeling, according to a notice posted Tuesday in the Federal Register.

[Linda McMahon, Small Business Administrator, Resigns From Cabinet](#): Linda E. McMahon, one of five women in President Trump’s cabinet and the former chief executive of World Wrestling Entertainment, stepped down on Friday as the head of the Small Business Administration, the White House announced. One of Mr. Trump’s most prolific donors during the 2016 presidential campaign, Ms. McMahon joined the administration early in Mr. Trump’s term and avoided the kinds of scandals and high-profile attention that many of her cabinet colleagues endured during the last two years.

[Irving Azoff's Global Music Rights & RMLC Antitrust Lawsuit Moved to California Court](#): Irving Azoff’s performing-rights company Global Music Rights (GMR), which sought to upend the way radio stations license music when it launched in 2013, has won a small victory in its ongoing legal battle with the Radio Music License Committee (RMLC) in Pennsylvania federal court. In the ruling, which was issued Friday, judge C. Darnell Jones II ruled he does not have “personal jurisdiction” over GMR in the antitrust case.

[In the EU, Every New Car Built After May 2022 Must Be Capable of Housing Built-In Breathalysers](#): Every new British car built after May 2022 will have to be capable of housing in-built breathalysers that will cut out engines when drink drivers get behind the wheel. European Union rules agreed in Strasbourg demand “an alcohol interlock installation facilitation” on all new cars from 2022. Britain is expected to mirror the EU standards, which include an alert system to ensure drivers observe speed limits through GPS and road sign recognition cameras, after Brexit to facilitate vehicle exports.

INDUSTRY News

American Beverage Licensees

[J.J. Moran of Four Winds Liquor & Lounge in Cheyenne, Wyoming Elected ABL President](#)

[ABL Annual Meeting Focuses on ‘Challenge of Change’ for Independent Beverage Licensees & Alcohol Industry](#)

[2019 ABL Top Shelf Award Presented to National Beer Wholesalers Association President & CEO Craig Purser](#)

[Seventeen Independent Beverage Licensees Recognized As “Brown-Forman Retailers of the Year”](#)

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter - Weekly News \(April 5\)](#)

[TTB Accepts \\$2.5 Million Offer in Compromise from Heineken for Trade Practice Violations](#)

3x3 Insights

[Retail Untapped - Episode 19: The \\$10-and-Under Wine Market](#)

Alcohol Law Advisor

[The Future of Direct Shipping](#)

[District Court Decision Rejects Commerce Clause Challenge to Missouri’s Retailer Wine Shipping Laws](#)

Alcohol Law Review

[Missouri District Court Throws Out Challenge to Missouri Law By Out of State Retailer](#)

Constellation Brands

[Constellation Brands Repositions Wine and Spirits Business to Accelerate Growth and Increase Shareholder Value](#)

ECR Software

[The Ignite 2019 Full Schedule is Now Released](#)

National Beer Wholesalers Association

[Regulations Help Keep American Alcohol Safe to Drink](#)

SevenFiftyDaily

[How to Open a Taproom in a New Market](#)

Sky Ranch Foundation

[Foundation Awards Grants to Two California Based Organizations: Social Advocates for Youth and Project Avary](#)

Wine Institute

[Wine Institute Is Leaving San Francisco for Sacramento](#)

Wine & Spirits Daily

[New WSWA Chief on Key Issues Facing Middle Tier](#)

Women of the Vine & Spirits

[Organization Launches New Benefits to Create Pathways for Supplier Diversity and Market Share for Women-Owned Businesses](#)

AFFILIATE News

Alaska CHARR

[Anchorage's Proposed Alcohol Tax Is Failing - For Now](#)

Preliminary election numbers show Proposition 9, a 5% retail tax on alcohol proposed by Mayor Ethan Berkowitz's administration, appears to be failing. After more unofficial results were released Wednesday, voters against the measure outweighed those in favor by about 2,300 votes. The tax would apply anywhere consumers buy alcohol, including restaurants, bars and liquor stores.

Massachusetts Package Stores Association

[Here Comes the 'Boozemobile,' One Liquor Store's Response to a Changing Marketplace](#)

Some call it "creative destruction," the term coined by Austrian economist Joseph Schumpeter denoting the forced decline of longstanding practices as a result of innovation. Others simply call it disruption. Whatever your preference, it's clear that the retail sector of the economy is undergoing tremendous change.

Montana Tavern Association

[Bet on It: Montana May Be First to Legalize in 2019](#)

Given the speed with which Montana is moving a trio of sports betting bills through its state legislature, it's probably a good bet that the Big Sky state will be the first to legalize sports wagering in 2019. This past weekend, the House passed HB 725 on third reading, making it the second House bill to be sent to the Senate for its approval. Both bills have been assigned to the Senate Business, Labor and Economic Affairs Committee.

[Horse Racing Bill Still in the Running](#)

A bill that sparks a study to bring a new video gambling machine to Montana to help the Treasure State's horse racing industry remains in the running after a hearing Tuesday in front of a state panel. As to whether Senate Bill 183 will pass the muster of the House Business and Labor Committee is anybody's bet. Committee members are expected to review a "historic horse racing" video gaming machine that has been proposed for the state.

STATE & LOCAL News

Alaska: Budweiser, Miller and Other Major Companies Jump into Campaign Against Anchorage Alcohol Tax: The companies behind Budweiser, Miller and Guinness have poured tens of thousands of dollars of advertising money into a campaign to defeat a local Anchorage alcohol tax, new financial disclosure reports show. In a matter of weeks, a mix of national, regional and local alcohol businesses have mobilized to raise \$288,000 to defeat the tax, according to the most recent disclosures. The money has been largely spent so far on radio and TV ads, direct mail and canvassing.

California: San Diego County Law Enforcement Opposes Increase in Alcohol Sales Hours: Warning that the change would pose serious threats to public health and safety, the San Diego County Police Chiefs' and Sheriff's Association announced on Monday its opposition to a state bill that proposes extending California's daily alcohol sales cutoff time from 2 a.m. to 4 a.m. Chula Vista Police Chief Roxana Kennedy, president of the law enforcement group, asserted that Senate Bill 58 would have negative effects on communities "that are within driving distance of the cities where the bars (would) stay open later."

District Court Decision Rejects Commerce Clause Challenge to Missouri's Retailer Wine Shipping Laws: On Friday, March 29, the US District Court for the Eastern District of Missouri handed down its decision in *Sarasota Wine Market v. Parson*, No. 4:17CV2792. The decision upholds Missouri's laws permitting in-state retailers to sell and deliver directly to consumers' homes but withholding that same privilege to out-of-state retailers. Plaintiffs had challenged the Missouri statutes under both the so-called "dormant" Commerce Clause and the Privileges and Immunities Clause of the Federal Constitution.

Idaho: State Beer Commission Mulled to Promote State's Microbreweries: Efforts to form an Idaho beer commission might take a different turn, but with the same goal: to promote craft beer produced in the state. Several different ideas that have been floated to promote Idaho craft beer all revolve around using \$140,000 from an excise tax on strong beer that currently goes to the Idaho Wine Commission.

Kansas: As Strong Beer Rolls into Kansas Grocery Stores, Liquor Retailers Prepare to Adapt: Starting Monday, full strength beer - up to 6 percent alcohol content - will be available in grocery and convenience stores across Kansas. It's a change two years in the making: Lawmakers passed a compromise bill in 2017, after decades of discussions and efforts to change the state's liquor laws. "In a sense, it feels like Prohibition is finally over here in Kansas," said Ron Wallis, personnel manager for QuikTrip in Wichita.

Maryland: Lawmakers Override Veto, Strip Comptroller of Alcohol and Tobacco Oversight: Maryland Comptroller Peter Franchot's job description has changed, thanks to a move by the Maryland General Assembly to strip him of his authority to regulate sales of tobacco and alcohol. On Thursday, lawmakers in Maryland's House and Senate voted to override Governor Larry Hogan's veto of the bill that establishes an Alcohol and Tobacco Commission. Under the legislation, the commission would take on Franchot's role as regulator of alcohol and tobacco sales.

Massachusetts: Public Safety Still a Concern Two Years After Legalization of Recreational Marijuana: More than two years after recreational marijuana was legalized in Massachusetts, the state has yet to see much physical change in the new industry. But officials say the concern for public safety in the age of legal weed remains a priority. Public officials and experts are weighing in on the possible consequences that the developing marijuana industry could have on the state, in particular the dangers of impaired driving and the fact some cannabis consumers are sustaining the black market out of personal convenience.

Minnesota: Growler Cap Amendment Dropped from Liquor Bill: An amendment that would have allowed Minnesota breweries producing more than 20,000 barrels of beer per year to continue selling

growlers was dropped from the Senate's Omnibus Liquor Bill on Thursday. Karin Housley, R-St. Marys Point, introduced an amendment to bump the production cap up from 20,000 barrels to 40,000 barrels.

Nevada: Las Vegas City Officials Debate Alcohol in Marijuana Lounges: Since marijuana was approved for legal recreational use in Nevada in the 2016 election, Las Vegas officials have worked to make Sin City's cannabis industry accommodating and hospitable for as many users as possible. Some marijuana stores double as entertainment venues, with interactive games and restaurants, while at many others cultivation, testing, and extraction labs are open for the public to tour.

North Carolina: Omnibus Bill Takes Big Step in Revamping Way State Controls Liquor: A bill filed in the N.C. House would dramatically revamp how the state governs liquor sales and distribution, including a provision allowing for Sunday sales. Distillers, brewers, and consumers would be among the beneficiaries of the expansive measure, modernizing a system entangled in arcane laws dating back to the end of Prohibition.

North Carolina: City Opposes Privatized Liquor Sales: Reacting to continuing efforts to privatize liquor sales, the Elizabeth City City Council voted last week to support of North Carolina's current, government-controlled ABC stores. The current Alcohol Beverage Control system generates important local revenues and privatizing liquor sales would lead to "many adverse effects," states a resolution the council approved unanimously last week, and with no discussion.

Oklahoma: Senate Bill Would Alter New Liquor Law: An effort is underway to amend Oklahoma's new liquor laws. A local liquor distributor says the new law has cost him one-hundred million dollars. State Senate Bill 608 would amend part of the law that allowed major brand distributors to come into Oklahoma pushing out local distributors.

Oklahoma: Legislators Consider Bill to Ensure Liquor Wholesaler Access: Oklahoma legislators are considering a bill that would restore language requiring distilleries and wineries to make their products available to all wholesalers. Boardwalk Distribution owner Bryan Hendershot said his company lost \$100 million in sales when a change in the law's wording cost him access to top liquor and wine brands.

Pennsylvania: Walmart to Sell Alcohol with Liquor License for One Store: It appears Walmart may, for the first time, sell beer in Pennsylvania. The state Liquor Control Board on Friday announced the results of an auction - its eighth since 2016 - for 25 liquor licenses and named Walmart as the winning bidder of a license in Redstone Township, Fayette County. The company's winning bid was \$65,000.

Texas: Lawmaker Introduces a Bill to Change the State's Wine Appellation Rule: Let's face it, a U.S. wine label isn't always 100% clear. For instance, under the Treasury Department's Tax and Trade Bureau (TTB), the guiding agency when it comes to wine regulations, the so-called 75% labeling rule allows a wine producer to label the product as having been produced in a particular state as long as 75% of the grapes used to produce the wine had been grown in that state.

Utah: State's Strict New .05 DUI Law Nets 38 Arrests in January: Of the hundreds of DUI arrests made statewide in January, less than 5% of them were for people with a blood alcohol content level (BAC) between 0.05 and 0.079. Utah's strict new DUI law went into effect in January, dropping the legal limit from 0.08 to 0.05. New stats released Monday from Utah's Department of Public Safety show 844 people were arrested for DUI violations in January.

Virginia: Prosecutor Wants Standards for Marijuana DUI: After losing a high-profile case involving a marijuana-smoking truck driver, the commonwealth's attorney in Albemarle County has vowed to get some standards on the books for prosecuting people who may be impaired by pot. When 31-year-old Dana Naylor drove a garbage truck across railroad tracks in Crozet and was hit by an Amtrak train, prosecutor Robert Tracci believes he was under the influence of THC - the active ingredient in marijuana.

Virginia: New Law Raises Commission for Virginia Distilleries: Virginia distillers are getting a boost from Richmond. A new law signed by Governor Ralph Northam will double the maker's commission

earned on each bottle. Thanks to that new law, distillers said they expect to see more of their kind entering the business. Distilleries across the commonwealth are rapidly growing. Virginia has more distilleries than Kentucky and Tennessee.

Washington: State Approves 21 as Smoking, Vaping Age: Washington will soon become the ninth state to mandate 21 as the legal smoking and vaping age, USA Today reports. The legislature approved the proposal this week, and Gov. Jay Inslee has indicated he will sign the measure. The law, which includes all tobacco and e-cigarette products, would become effective on Jan. 1, 2020.

Washington: New Bill Aims to Dissolve Washington Liquor & Cannabis Board: A new bill proposed by Republican Rep. Drew McEwen looks to completely dissolve Washington State's Liquor and Cannabis Board. "Countless licensees are increasingly becoming frustrated with the lack of assistance and help at the Liquor and Cannabis Board, and that the Liquor and Cannabis Board prefers to penalize its licensees for administrative or technical violations, rather than helping them comply," the bill reads.

West Virginia: State Becomes Fifth in Nation with Legal Online Gambling: West Virginia became the fifth state to legalize online gaming, including online poker, on Wednesday afternoon. Gov. Jim Justice didn't sign HB 2934, better known as the West Virginia Lottery Interactive Wagering Act, but didn't veto the bill either. According to West Virginia law, the governor has 15 days to veto or sign a piece of legislation once it hits his desk. If nothing happens in that time period, the bill becomes law.

West Virginia: Governor Signs Craft Beer Reform Bill: A new West Virginia law aims to foster the growth and expansion of the craft beer industry while eliminating certain burdensome regulatory requirements. On March 26, 2019, Governor Jim Justice signed Senate Bill 529 enacting the changes and reforms made to previous craft beer legislation. SB 529 is now slated to take effect 90 days from passage.

BUSINESS & LIFESTYLE News

Beer Brewers Aren't Retailers — And Shouldn't Be: The Flying Saucer bar in Austin flourished for ten years in the craft beer capital of Texas before we closed it due to the Texas Legislature creating new competition from small breweries. When they allowed brewery tap rooms to directly compete for retail business, without enduring the same parking, fire and food service percentage sales requirements that we do, we just couldn't compete.

Americans Choose Betty White as the Celebrity They'd Most Like to Have a Beer With: "Who would you rather drink a beer with?" It's a question that regularly comes up during elections despite the fact that beer consumption is only a small part of the responsibilities of a U.S. president (at least I assume). Still, the implications are clear: Who would you like to simply relax, hang out, and have a (potentially lips-loosened-by-alcohol) chat with.

Even Molson Coors Is Hatching a DtC Strategy: Brewer Molson Coors wants to change customers' relationships with beer brands by moving interactions beyond store shelves, by launching e-commerce platforms that allow products to be shipped to customers' homes directly. The company last week opened an e-commerce site for Blue Moon, and in February, it rolled out a similar site for Miller Lite.

Cannabis-Derived Foods Will Pack Restaurant, Says Bar Rescue's Jon Taffer: 'Bar Rescue' Opens a New Window. host Jon Taffer said he believes there will come a point when cannabis-infused food will be served in restaurants. Opens a New Window. "I think anything that creates a better experience in the eyes of the consumer helps the restaurant," he told FOX Business' Stuart Varney on Thursday. "And I think there is a place for that somewhere."

Is a Rye Whiskey Shortage on the Horizon?: I get paid to think about whiskey and beer, and as a result, I think about both of them at the same time more than most people. Usually this just leads to me having a Boilermaker, but sometimes it yields an intriguing idea about the two categories and how they're related. Here's my latest idea. Craft beer didn't really take off until around 2005.

Drinkers Prefer Big Beer Keeps Its Hands Off Their Local Craft Brews: Much of that growth has come at the expense of traditional brewing giants like Anheuser-Busch InBev and MillerCoors. So, naturally, these macro brewers have been trying to get a piece of the action by buying up their craft counterparts. Examples include AB InBev's 2011 purchase of Goose Island Brewery and Tokyo-based Sapporo's 2017 acquisition of Anchor Brewing - America's oldest craft brewery.

'Safe' Teen Drinking? Here's Why Parents Shouldn't Facilitate It: "Well, we did it when we were their age." This common refrain, popular among parents with a permissive attitude toward underage drinking, is often coupled with well-intentioned efforts to keep adolescents safe while consuming alcohol: Think encouraging alcohol-imbibing teens to take advantage of ride programs like Uber, to spend the night at a friend's house, or to drink in one's own home as opposed to unknown settings.

The American Cocktail Scene: A Conversation with Ray and Jaclyn Foley: Recently I sat down with two icons of the American cocktail scene, Ray and Jaclyn Foley. Ray Foley is a former Marine who for decades worked behind the bar and managed one of the largest restaurants in New Jersey before he founded BARTENDER Magazine and Bartender.com, the only trade publication/website of its kind targeted to bartenders and bartending.

No One Can Believe Missouri Beer Drinkers Named This Brew Best in Fest: When organizers of the Missouri Beer Fest in Columbia, Missouri, announced the winner of the people's choice beer award earlier this month, more than a few people booed. "That beer sucks! It's corporate swill!" Joe Priesmeyer, president of N. H. Scheppers Distributing, the wholesaler that supplied the day's brews, recalls them yelling.

How Gen Z Will Change the Face of Brand Marketing: This is the year Gen Z takes over, and fusty companies that want to sell them stuff have to crack the kids' code. Good luck with that. Ziad Ahmed sees what a challenge it is every time he makes a presentation, as he did recently to some American Express Co. marketing executives. It was his "Gen Z Crash Course/Make a Meme Workshop," and they drew blanks watching slides about the dialect spoken by the young.

How Much Would You Pay for a Bottle of Wine?: In our capacity as "wine experts," one of the questions we are frequently asked is, "What is the most expensive wine you have ever had?" While neither of us is entirely sure, we both think it may have been Domaine de la Romanée-Conti 1961. We have been able to find bottles of this online for around \$20,000, and we also saw a bottle of it fetch \$120,000 at a wine auction in Burgundy, France, a few years ago. Inevitably, the next question is, "Is it worth it?"