

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, April 12, 2019

Issue 377

MEETINGS & EVENTS

[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](#)
[June 12 - Connecticut Package Stores Association Annual Golf Tournament](#)
[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

[FDA to Review Rules for CBD as Food Ingredient](#): Restaurants could get the go-ahead to incorporate CBD into their foods and beverages as the result of a comprehensive review announced Tuesday by the Food & Drug Administration (FDA) of the regulations currently governing use of the cannabis derivative. Although CBD is widely available in places ranging from health-food stores to gas stations, it is still technically banned for use as a food ingredient, as a handful of places discovered earlier this year.

[Charge My Weed, Please. Menendez Says Marijuana Businesses Should Be Allowed to Take Credit Cards and Write Checks](#): As New Jersey moves in fits and starts to expand medical marijuana and perhaps legalize the drug for personal use, U.S. Sen. Robert Menendez said he plans to reintroduce legislation to allow those legal businesses to have bank accounts, write checks and accept credit cards. Menendez told NJ Cannabis Insider that he would be joining U.S. Sen. Jeff Merkley, D-Ore., to offer the Senate version of the Secure and Fair Enforcement, or SAFE, Banking Act.

[U.S. Bank Subsidiary Backs Out of Handling CBD Payment Processing](#): The CBD industry has been moving full steam ahead in 2019, bolstered by the 2018 Farm Bill and advancements on the federal level to ensure cannabis banking services, but that progress hasn't been enough for some financial services institutions to continue working with the industry. On March 14, 2019, Elavon, a payment processing subsidiary of U.S. Bank, notified its hemp and CBD clients that it had recategorized hemp and cannabidiol-based merchants as a prohibited business type and that accounts for such merchants would be closed within 45 days.

[Say What? The Problem with Per Se Laws for Cannabis-impaired Driving](#): Most people know about per se laws to test for alcohol-impaired driving. A blood alcohol of .08 or higher allows police to infer that you are impaired from alcohol. If you are driving and your blood alcohol level exceeds .08 level, then you are in trouble. For cannabis, you may also know that seven states like Washington and Colorado have per se laws that specify legal limits of THC in the blood, typically 5 ng/mL.

[AMLC Songwriters Blast Major Music Publishers Over Wrongful Royalty Claims – Here's Their Statement](#): The answer to that question depends on who ends up taking the mantle of the Mechanical Licensing Collective, or MLC, a government-mandated agency that forms a critical part of the Music Modernization

Act, or MMA. Now, an oppositional group of songwriters and executives are loudly calling big publishers out. According to the American Mechanical Licensing Collective, or AMLC, major publishers Sony/ATV, Warner/Chappell, Universal Music Publishing and others have devised a scheme to divide those riches among themselves.

Wine Industry Floods TTB with Its Opinions on Wine Nutritional Labeling: Last month the Washington, D.C.-based Alcohol and Tobacco Tax and Trade Bureau (TTB) extended its deadline for Notice No. 176, the so-called "Modernization of the Labeling and Advertising Regulations for Wine, Distilled Spirits and Malt Beverages," until June 26, 2019. This was done in order to allow those in the wine industry to continue to share their perspectives if wine should have nutritional information on its label for another few months.

FTC Kills Deal to Merge Alcohol Distributors: The U.S. Federal Trade Commission said on Monday it had pushed two wine and spirits distributors to scrap their merger because of "significant concerns" about the deal. Republican National Distribution Co, which distributes in a big swath of the eastern and central United States, and Breakthru Beverage Group, which is in 12 U.S. states and Canada, said last week that they had terminated their planned business combination.

Trump Is Threatening Tariffs on Europe's Cheese and Wine. Could This Brie the Start of a Trade War?: It can be hard for any foreigner to get the attention of the French. So, on Monday, the Trump administration resorted to the only option that has reliably worked in the past: threatening their wines and cheese, among many other goods, which also include aircraft and motorcycles. All of those goods could be hit with tariffs later this year, possibly totaling up to \$11 billion.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter - Weekly News \(April 12\)](#)

[Kaori Flores Appointed New Assistant Director Over Malt Beverage and Distilled Spirits Labeling](#)

3x3 Insights

[Retail Untapped - Episode 21: Rosé Season Trends](#)

[Retail Untapped - Vote on the Next Episodes!](#)

Alcohol Law Advisor

[FDA Releases Warning Letters to CBD and Hemp Oil Companies](#)

[FDA Issues Guidance on Hops and Wine Grapes](#)

Beer Business Daily

[Beer Institute Crystal Ball Says Beer Will Decline Again This Year](#)

Brewbound

[NBWA Chief Economist Lester Jones Explains 'Cognitive Beer Dissonance'](#)

Center for Alcohol Policy

[Registration Open for the 12th Annual Alcohol](#)

Chain Store Age

[Online Sales Exceed In-Store Sales \(Sort Of\)](#)

Family Business Estate Tax Coalition

[Rep. Jason Smith Fires Up Family Business Estate Tax Coalition](#)

Healthy Alcohol Marketplace

[Private Labels Threaten Alcohol Market Balance](#)

National Beer Wholesalers Association

[Nearly 700 Beer Distributors Pour Into Washington, D.C. for NBWA's Annual Legislative Conference](#)

Nation's Restaurant News

[U.S. Restaurant Sales to Reach Record \\$863B in 2019, NRA Says](#)

SevenFiftyDaily

[Anheuser-Busch Commits to Ambitious Sustainability Targets for its Craft Partners](#)

Shanken News Daily

[RNDC, Breakthru End Merger Talks; FTC's Lack of Response Is Blamed](#)

The IWSR

[Will THC-Infused Drinks Challenge Beverage Alcohol in the U.S.?](#)

[Organic Wine Forecasted to Reach 87.5m Cases Globally by 2022](#)

AFFILIATE News

Massachusetts Package Stores Association

[Retail, Food Industry Workers Push Fairness Bill](#)

To protect workers against physical and mental strain of working in the food, hospitality and retail industries, lawmakers must take additional steps to protect the rights of workers to a fair work week, according to advocates. In advance of a Joint Committee on Labor and Workforce Development hearing Tuesday, activists gathered to discuss how unpredictable schedules and pay make it difficult for workers to find child care, schedule medical appointments and support their families.

Tavern League of Wisconsin

[BMI and ASCAP Present Music Licensing Session at TLW Spring Conference](#)

BMI and ASCAP held a music licensing session at the Tavern League of Wisconsin's (TLW) 84th spring conference on April 2, in Appleton, WI. The presentation included an overview of the music licensing process, the service that BMI and ASCAP provide to TLW members, and the importance of songwriters getting paid when their music is publicly performed.

STATE & LOCAL News

[Alabama: Bill to Privatize Liquor Sales Rejected by Senate Committee](#): SB 77, State Sen. Arthur Orr's (R-Decatur) bill to phase in the privatization of liquor retail sales in Alabama, failed to advance from a Senate committee on Wednesday morning. Five members of the Committee on Fiscal Responsibility and Economic Development voted to give the bill a favorable report, while six opposed. During a public hearing immediately before the vote, representatives of the Alcoholic Beverage Control (ABC) Board, Alabama State Employees Association and Alabama Citizens' Action Program (ALCAP) spoke against the bill.

[California: Proposed City Ordinance Would Cut Fresno Liquor Retailers in Half](#): The plan calls for reducing the number of liquor and convenience stores that sell liquor in the city. Councilmember Miguel Arias wants it cut in half. "People are going to drink but the goal over time is to reduce the amount of liquor licenses available in our neighborhoods to 50 percent," Arias said. Arias notes one central Fresno district has well over 100 alcohol retailers out of more than 400 citywide.

[California: Two Stricter DUI Laws Under Consideration by Lawmakers](#): Two new stricter laws against driving under the influence are under consideration by California lawmakers — including one that would lower the legal BAC limit to .05 from .08 and another that would require those with DUI convictions to have breathalyzer device installed in their vehicles.

Colorado: Liquor Store Owners Deal with Impacts of Allowing Full-Strength Beer in Grocery Stores:

Liquor store owner Greg Nealy said he immediately felt the impact of a new Colorado law that allows shoppers to buy full-strength beer at grocery and convenience stores. "It's been dramatic," said Nealy, who is one of the owners of Central Park Liquor in Steamboat Springs. "The piece of the pie doesn't get any bigger - it just gets more spread out. With every business now selling full-strength beer, it just takes away from the licenses that had it previously."

Connecticut: Another Connecticut Committee Approves Marijuana Legalization:

A key Connecticut committee approved a bill to legalize marijuana on Monday by a narrow vote of 21 to 19. The legislation would allow adults 21 and older to possess, consume and purchase cannabis from a licensed retailer. Individuals could possess up to 1.5 ounces of marijuana and up to five grams of concentrate. Home cultivation would be prohibited.

Indiana: Casino Gaming Bill In State House Ways & Means on Tuesday:

A lot of local folks will be keeping an eye on a casino gaming bill as it heads to a key hearing at the Indiana Statehouse Tuesday. Senate Bill 552 deals with a number of gaming matters. One of them is the relocation of one of Indiana's casino gaming licenses to a new casino proposed for Terre Haute. Rising Star Casino owner Full House Resorts has voiced support for the bill which would create a competitive process for casino companies to submit bids for the Terre Haute opportunity.

Maryland: State Approves Higher Tobacco Buying Age:

This week, the Maryland General Assembly approved a bill that would increase the tobacco buying age to 21. The state Senate passed a similar measure earlier, the Baltimore Sun reports. The bill, which exempts members of the military, would take effect on Oct. 1 if signed by Gov. Larry Hogan, who has not indicated his position on the matter. Both chambers passed the measure in big enough margins that a veto by Hogan could be overridden.

Maryland: Washington County Proposed Zoning Changes Include Addressing Distilleries:

Washington County is proposing to change its zoning law to keep up with state changes on alcohol manufacturing facilities. The county updated its zoning law in 2012 to include wineries and breweries. But the state has approved new manufacturing license types in recent years. The proposal includes creating definitions for commercial and farm distilleries.

Massachusetts: Boston Drivers Among Nation's Worst for Drunken Driving Conviction Rates:

Boston drivers have one of the highest rates of drunk driving convictions in the country, according to a new study. The study, from auto insurance company QuoteWizard, ranks Boston second on its list of cities with the highest rate of drunk driving convictions — and local advocates and officials say structural changes are necessary to be done to get intoxicated drivers out from behind the wheel.

Ohio: Latest Alcohol Laws Bolster Business:

New Ohio laws in the past decade have widened access to alcohol, a move that's allowed the beer, wine and liquor industry to flourish. But, leaders in addiction prevention say the rapid expansion may threaten public health. A Dayton Daily News investigation found Ohio's governor has signed into law at least 12 bills that further relaxed alcohol restrictions statewide since 2012.

Oklahoma: Businessman Lobbying for Changes to Alcohol Distribution Law, Gave Lawmakers Contributions During Current Legislative Session:

It appears a business owner advocating for a liquor reform bill has given donations to lawmakers during the legislative session. Bryan Hendershot, the owner of Boardwalk Distribution, has been lobbying for the passage of Senate Bill 608, which would compel wine and spirits manufacturers to offer the top selling products to all distributors in Oklahoma for the same price.

Oregon: Bill to Lower State's Drunken Driving Limit Stalls in Salem:

A bill to lower the legal blood alcohol limit in Oregon to .05 percent will not move forward in Salem this year. Sen. President Peter Courtney, D-Salem, confirmed Monday that his Senate Bill 7, which calls for Oregon to lower its drunken driving limit from .08 to .05 percent blood alcohol content, is dead.

Oregon: Bill Targeting Out-of-State Wineries Survives Committee: Lawmakers on Tuesday advanced a wine regulation bill that has divided Oregon's industry, rejecting a late proposal to try to find consensus through a task force of winemakers and grape growers. Sen. Floyd Prozanski, chair of the Judiciary Committee, argued for moving forward with the bill, which would open up out-of-state wineries who make wine from Oregon grapes to new oversight by state regulators.

Virginia: Law Allows People to Legally Be Declared a Drunk; Two-Thirds Are in Virginia Beach: Alfred "James" Forbes Jr. has been booked into the city jail more times than he can remember. In the past 15 years, records show he's been incarcerated 27 times. Since 1993 when he was first booked, it's been 60. In the past five years alone, he's spent nearly 800 days in custody.

Virginia: ABC Stores Will Open Earlier on Sundays Starting This Summer: Virginia's state-run liquor stores will begin opening two hours earlier on Sundays this summer, the Virginian-Pilot reported. Virginia Department of Alcoholic Beverage Control (ABC) stores will open at 10 a.m. instead of noon Sundays to make up for revenue lost after a new law lets craft distilleries keep 20 percent of their profits from sales on their premises — up from 8 percent.

Wisconsin: State Favors Legalizing Cannabis but Hurdles Remain: For decades, Storck, a longtime medical marijuana advocate from Madison, has been pushing the state Legislature to legalize his medicine. Storck suffers from glaucoma. He uses cannabis to slow progression of the disease, which is gradually robbing him of his sight. The first big moment was in 2002, when statewide polling found that 80.3% of Wisconsinites supported medical marijuana. Storck was ecstatic.

BUSINESS & LIFESTYLE News

How to Check Online You're Not Having Fake Alcohol in Store! If you are quite fascinated with the idea of sipping in a glass of imported alcohol at your leisure, you should definitely be aware of the con practices of selling fake products as well. Fake alcohol is not something making space in the chapter lately. It's been in rampant use across the globe since long. There have been an end number of cases reported against counterfeit alcohol over a long period of time.

Why Some Craft Brewers Are Embracing Pilsner: People were skeptical when Victory Brewing Company, a recently opened craft brewery in Downingtown, Pennsylvania, introduced a pilsner in 1996 called Prima Pils. India pale ales were on the ascent, and the two best-selling craft brands were Samuel Adams Boston Lager, a Vienna lager, and Pete's Wicked Ale, a brown ale. Crisp, lighter-tasting (and lighter-colored), lower-alcohol pilsners were simply not in vogue.

PBR Launched a Non-Alcoholic Beer and an Even Boozier Brew: Pabst Blue Ribbon is celebrating 175 years of PBR beer with two new brews, Pabst Blue Ribbon Non-Alcoholic and Pabst Blue Ribbon Extra. The "Extra" — which has 6.5 percent alcohol content compared to the usual 4.7 percent — comes in bolder black packaging, while the non-alcoholic brew is missing the original label's iconic red ribbon. The beers were released late last month.

Amazon Planning a Deeper Dive into Alcohol Sales? A D.C.-Area Job Posting Suggests So: Amazon.com Inc. is looking for a booze business policy and lobbying expert, and it could portend a push into more alcohol sales for the online retail giant. The manager of alcohol public policy will be based in Greater Washington and "will create, execute, and manage key public policy issues related to alcohol procurement and sales."

Millennials Are Sick of Drinking: On January 20, 2017, Cassie Schoon rolled into work with a hangover. It was the morning of Donald Trump's presidential inauguration, and Schoon, who doesn't count herself among the president's fans, had gone out for drinks with friends the night before to take her mind off it. The evening's distraction left her in pretty rough shape the next day. "I was in this meeting feeling absolutely miserable, and I was like, You know, this is not what grown-ups do," she says.

Bartenders Tell Us the Best Bang-for-Your-Buck Tequilas for Spring: There are certain signifiers that spring is in full swing. The days get longer, flowers bloom, birds sing, and bar patios come back to life with

happy people sipping fresh, spring cocktails in the sunshine. And the warmer weather of spring calls for lighter spirits in drinks – like mezcal, gin, vodka, rum, and of course, tequila.

What Gallo's \$1.7 Billion Buyout of Constellation's Bargain-Priced Wines Really Means: Yesterday the country's biggest wine company announced a major deal with the country's third-biggest wine company. E. & J. Gallo (the biggest) has agreed to purchase 30 wine and spirits brands, plus six wine production facilities, from Constellation Brands (the third biggest) for \$1.7 billion.

New Guinness Beer Honors Women in the Brewing Industry: The Guinness U.S. brewery has released a new beer honoring women in the industry and it sounds delicious. A new beer was tapped this week at the Guinness Open Gate Brewery and Barrel House outside of Baltimore, Maryland, and each pint sold helps to support women in the beer industry. Guinness Saison Blanc was brewed on March 8, International Women's Day, by the women of the Guinness Open Gate team.

Ride-Sharing vs. Drunken Driving: Is Uber saving lives? There was a heinous killing of a 21-year-old college student in Columbia, S.C., last weekend, after she'd evidently gotten into a car that she mistook for the Uber she had called. Such calculated evil has shaken some who use ride sharing, and the likely fallout is more precaution: ride-hailers double-checking the driver's name and car model against those on their apps before opening the car door.

'Retail Apocalypse' Now: Analysts Say 75,000 More U.S. Stores Could Be Doomed: Widespread closures have roiled the retail industry, but many more stores are likely to shut down in coming years to keep up with a shift to online shopping, according to a report by investment firm UBS. An estimated 75,000 stores that sell clothing, electronics and furniture will close by 2026, when online shopping is expected to make up 25% of retail sales, according to UBS. Roughly 16% of overall sales are made online.

Families Dominate Spirits Industry Due to Long-Term Stability: Even if liquor isn't always quicker, it can make your family very wealthy over time. Take the Bacardis. The world's enduring thirst for their light rum has pumped billions of dollars into the family's coffers since 1862, enriching hundreds of clan members now spread across the globe.