

ABL WEEKLY

Policy, Industry & Business News for Beverage Retailers

Friday, May 3, 2019

Issue 380

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](#)
[October 14-17 - TLW 84th Annual Fall Convention | Green Bay, WI](#)
[October 21-23 - ABL Fall Board Meeting & Industry Meetings | Washington, DC](#)

ABL & PUBLIC POLICY News

The TTB Is Stepping Up Enforcement: This is a public service post for people in the U.S. wine (and spirits, and beer and cider) industry. The TTB is stepping up enforcement, and might be coming to look at your records soon. And they won't be as friendly about it in the past. Starting in fiscal year 2017, Congress gave the TTB (the federal Alcohol and Tobacco Tax and Trade Bureau) \$5 million per year specifically for enforcement.

Lowering the Legal Alcohol Level Glosses Over the Problem (Op-Ed): In early January of this year, a drunk driver traveling the wrong direction on the freeway collided head-on with the Abbas family's SUV. Dr. Rima Abbas, her husband and their three children tragically did not survive the collision, nor did Joey Lee Bailey, the driver of the wrong-way vehicle.

In Washington, Juul Vows to Curb Youth Vaping. Its Lobbying in States Runs Counter to That Pledge: For months, Juul Labs has had a clear, unwavering message for officials in Washington: The e-cigarette giant is committed to doing all it can to keep its hugely popular vaping products away from teenagers. But here in Columbia, the South Carolina capital, and in statehouses and city halls across the country, a vast, new army of Juul lobbyists is aggressively pushing measures that undermine that pledge.

Alcohol Sales Dropped 15% In States With Medical Marijuana Laws: A joint study by researchers at two U.S. universities and one in South America claims a reduction in the U.S.'s overall alcohol consumption appears directly related to the rise of medical marijuana laws recently enacted in a number of states.

Federal Alcohol Regulator Follows FDA, No CBD in Beer, Wine and Liquor: While hemp is now legal under state and federal law, the Alcohol and Tobacco Tax and Trade Bureau (TTB) has made clear that cannabidiol (CBD), a product derived from hemp, is not a permitted ingredient in alcohol beverages quite yet. The use of hemp and CBD in various products has proliferated in recent months, and the public and stakeholders have looked to the Food and Drug Administration's (FDA) and TTB for guidance.

What Age Group Has the Most Drunk Driving Accidents? Drunk driving is a serious charge that most people find irresponsible and indefensible. It is a highly dangerous act that often results in the destruction of property, injury, or loss of life. That is why law enforcement, the court system, and the public take drunk driving so seriously and are often unforgiving in their judgment.

Recording Academy Files Comments on Mechanical Licensing Collective with Copyright Office: The Recording Academy has filed comments with the U.S. Copyright Office regarding the designation of a mechanical licensing collective ("Collective") to carry out key functions of the updated mechanical licensing process under the Music Modernization Act. The above excerpt from the comments reflects the Academy's continued fight on behalf of songwriters and music creators.

Washington Rep. Newhouse Named Co-Chair for Congressional Wine Caucus: Thursday, Representative Mike Thompson (D-CA) announced that Representative Dan Newhouse (R-WA) will serve as the new co-chair for the Congressional Wine Caucus. As grape growers, both Reps. Newhouse and Thompson will lead the bicameral and bipartisan organization for the 116th Congress.

Peloton Hits Back at Music Publishers With Antitrust Countersuit: In French, "peloton" means "pack," as in a group of riders sticking together to draft off the energy generated by the collective. There's nothing wrong with doing so in the sport of cycling, but how about in business? Peloton Interactive believes something is amiss. On Tuesday, in a countersuit, Peloton alleges that the National Music Publishers Association has become a vehicle for anticompetitive behavior.

Congress and White House Agree to Spend \$2 Trillion on Infrastructure: Senate Minority Leader Charles E. Schumer said Tuesday after a meeting at the White House, that President Trump has agreed to invest \$2 trillion to revitalize the nation's infrastructure. Congressional leaders said they will return to the White House in three weeks to determine how to pay for it. A public beset by potholes, failing bridges and troubled transit systems overwhelmingly has said in surveys that it supports the investment, but Congress has yet to come up with a funding solution.

INDUSTRY News

Alcohol and Tobacco Tax and Trade Bureau (TTB)

[TTB Newsletter – Weekly News \(May 3\)](#)

Alcohol Law Advisor

[Congress Can Open Financial Institutions to Legal Cannabis Industry with SAFE Banking Act](#)

American Beverage Institute

[Supporters of DWI Legislation Have Lost Perspective \(Op-Ed\)](#)

Brewers Association

[BA Releases 2019 Beer Style Guidelines](#)

JDSupra

[Durational Residency Requirements For Liquor Licensees: Closing Time?](#)

[Seeing Through the Haze Part III: What Will Federal Legalization of Marijuana Look Like?](#)

National Law Review

[TTB's Take on Alcohol Beverages Infused with Cannabidiol](#)

SevenFiftyDaily

[What Do Producers Stand to Lose If the CBMA Isn't Made Permanent?](#)

[How to Work with Multiple Distributors in the Same Market](#)

Southern Glazer's Wine & Spirits

AFFILIATE News

Alaska CHARR

[Despite Election Loss, Mayor, Assembly Push for Alcohol Tax](#)

Despite a loss at the ballot box, Mayor Ethan Berkowitz and several Assembly members continue to push for a new alcohol tax. They say the tax is necessary to help combat homelessness. The alcohol industry have a different approach. Alaska CHARR, who represents the industry, is more interested in fundraisers and participating in homeless camp abatement, rather than bearing the burden of another tax and becoming a "financial punching bag".

Retail Liquor Association of Oklahoma

[Stitt Signs Measure Allowing Accompanied Minors into Liquor Stores](#)

Legislation allowing accompanied minors in liquor stores has been signed into law. House Bill 2325 would allow minors under 21 into liquor stores if they were accompanied by a parent or legal guardian of age. "There is somewhat of a competitive disadvantage currently with packaged stores in that I can take my 14-year-old to the grocery store, and I could walk by a wine display and I could purchase a bottle of wine with her standing three feet from me," Sen. Stephanie Bice said.

Wyoming State Liquor Association

[State Hosts TIPS Training Ahead of Deadline for New Ordinance](#)

The Wyoming State Liquor Association is hosting TIPS Training in the city of Casper, for three sessions. According to a Casper Police Department statement, no registration is required. The training is put on by WSLA with support and funding from the Wyoming Liquor Division utilizing the nationally recognized TIPS (Training for Intervention ProcedureS) alcohol server training program.

STATE & LOCAL News

[Connecticut: Lawmakers Want to Study Detection of Pot-Impaired Driving:](#) Worried that legalizing recreational cannabis use will cause more people to drive high, a second legislative committee overwhelmingly voted Thursday to advance a bill to study how law enforcement can detect when people are driving under the influence. With few accurate roadside tests to detect marijuana impairment, police mainly rely on field sobriety tests and observation, which can be subjective and foiled.

[District of Columbia: D.C. Mayor Muriel Bowser Unveils Bill to Legalize Recreational Marijuana Sales:](#)

D.C. Mayor Muriel E. Bowser (D) will announce legislation Thursday to legalize and regulate recreational marijuana dispensaries in the nation's capital, setting up a potential showdown with the federal government. The District's marijuana laws are in limbo. Residents can legally grow and possess small amounts of the drug under a 2014 voter-approved law. But they cannot legally purchase pot, and the city cannot tax sales, because of a provision in the federal budget that prohibits the District from enacting or enforcing marijuana legalization laws.

[Florida Retailer Seeks Appeal to 8th Circuit from Missouri District Court Loss on Direct Sales:](#) As expected, the plaintiffs have filed their notice of appeal stemming from their loss at the Missouri district court where Judge Autrey noted there was no dormant commerce clause violation barring out of state retailers from selling to Missouri consumers. Briefing will commence on this appeal this summer. The United States Supreme Court will rule on a dormant Commerce Clause matter in the interim.

[Illinois: Lawmakers Near Completion of Cannabis Legalization Draft Bill:](#) Illinois lawmakers are in the final stages of the drafting process for legislation that would legalize adult-use cannabis in the state, and Chris Lindsey, senior legislative counsel for the Marijuana Policy Project (MPP), said the draft bill will likely

be circulated as soon as next week. "Then that gives us a good chunk of the month of May to get it through the legislative process," he told Cannabis Business Times.

Iowa: Three Ames Businesses to Serve 6-Month Suspensions, Voluntarily Surrender Alcohol Licenses:

The Iowa Alcoholic Beverages Division announced today that the owner of three Ames businesses holding alcohol licenses - Olde Main Brewing Company, Corner Pocket and DG's Taphouse - has agreed to a 6-month suspension and voluntary surrender of the licenses at the conclusion of the suspension. The administrative action is a result of an investigation conducted by ABD and complaints filed by the Iowa Department of Public Safety alleging that the owner of the businesses failed to maintain the requisite good moral character required to hold an alcohol license, in particular a lack of good financial standing.

New Hampshire: Liquor Commission Warns Parents of Laws Against Hosting Underage Drinking Parties:

The New Hampshire Liquor Commission reminded parents and students in Bedford on Monday that state liquor laws will be enforced this prom season. Bedford Building Our Lives Drug-Free, or BeBOLD, hosted a lesson on the dangers of hosting underage drinking parties, and invited the Liquor Commission to outline the law.

New York: City Bans Alcohol Ads on Most City Property:

Eighteen months after the Metropolitan Transportation Authority banned alcohol advertisements on New York City buses, in subway cars and in stations, the City of New York has followed suit, instituting its own ban on most city-owned properties. The ban, which goes into effect immediately, affects city-owned properties such as bus shelters, newsstands, recycling bins and LinkNYC Wi-Fi kiosks.

North Carolina: Liquor Sales Privatization Bill Has Been Proposed. What Are Its Chances?:

A sweeping bill has been introduced to end the nearly century-old government monopoly on liquor sales in North Carolina, but feelings among state legislators are mixed when it comes to giving the private sector control of the hard alcohol business, according to an Asheville lawmaker. Rep. Susan Fisher, D-Buncombe, said she supports House Bill 971 to end the state Alcoholic Beverage Control system.

North Carolina: Sunday ABC Store Hours, Ferry Alcohol Spark Debate in NC House:

A wide-ranging alcohol deregulation bill cleared a state House committee on Tuesday despite efforts by one Republican to delete the measure's most controversial provisions. House Bill 536 would allow bar customers to order up to four drinks at once, allow liquor stores to open on Sunday afternoons, lift the five-bottle cap on on-site liquor sales at craft distilleries, and allow beer and wine on the new Ocracoke Island passenger ferry

North Carolina: Chuck McGrady Files Bill to Modernize ABC System in North Carolina:

N.C. Rep. Chuck McGrady (R-117, Henderson County) today filed House Bill 971, Modern Licensure Model for Alcohol Control, in another attempt to modernize North Carolina's Alcoholic Beverage Control system. Believing that North Carolina's 80-year-old system for the distribution and sale of distilled spirits is outdated and inefficient, HB971 reforms the longstanding government management of the wholesale and retail sale of distilled spirits.

Oklahoma: Alcohol Regulators Use Drone in Moonshine Bust:

Oklahoma alcohol regulators used modern technology in a recent investigation of an old-school illicit job: moonshining. The Oklahoman reports agents with Oklahoma Alcoholic Beverage Laws Enforcement Commission and the McCurtain County sheriff's deputies busted a moonshine operation in Eagleton. Authorities say a man turned himself in Monday on a felony charge of operating a whiskey still without a distiller's license.

Oregon: Bill Could Stop New Cannabis Production Licenses for Two Years:

A new Oregon bill could allow the Oregon Liquor Control Commission (OLCC) to refuse new cannabis production licenses for two years. That's because Oregon has an oversupply of cannabis. Making recreational cannabis prices decrease. Michael Johnson the COO of Siskiyou Sungrown says, "prices have plummeted to historic lows."

Texas: State Lawmaker Pushing to Ban Powdered Alcohol:

A county leader is pushing for state lawmakers to ban powdered alcohol. Powdered alcohol, also known as palcohol, can be mixed with water to make an alcoholic beverage. It can also be flavored and mixed into food or other alcoholic drinks. Judge Nelson Wolff says nearly 40 other states have already banned the substance.

Utah: Liquor Officials Say No Beer at Karaoke Venues or Ax-Throwing Businesses, Unless State Law Is Changed: Beer will not be allowed at a karaoke business in Salt Lake City or an ax-throwing venue in Ogden, because neither fits the definition of a "recreational amenity," under a new law that takes effect in mid-May. The state liquor commission denied the beer license requests from Salt Lake City's Heart & Seoul Karaoke and Ogden's Social Axe Throwing on Tuesday, saying that while both business might qualify as recreational amenities under the current state statute, they won't later this month.

Utah: Alcohol Commission Denies Beer Licenses to Businesses Based on Law That Hasn't Taken Effect: The state alcohol commission denied beer licenses to two businesses Tuesday based on a change in Utah liquor law that has yet to take effect. Owners of Heart & Seoul Karaoke and Social Axe walked away frustrated that the commission didn't decide under the current law. "It was arbitrary and capricious," said Janelle Bauer, an attorney representing Heart & Seoul, a Provo business patterned after Korean singing rooms.

Vermont: Warrant Requirement for Saliva Testing Gets Cool Reception from Scott Administration: The Scott administration has given a tepid response to requiring a warrant for saliva testing of suspected impaired motorists, a compromise supporters of establishing a commercial marijuana market in Vermont hoped would help that legislation cross the finish line this session. Republican Gov. Phil Scott has said he wouldn't sign a bill setting up a retail market for marijuana in the state without saliva testing to address roadway safety concerns.

Vermont: State Tops List for Underage Drinking: National data shows that more Vermonters ages 12 and up are drinking alcohol compared to the rest of the country. State leaders, parents and those working with teens all say kids need more outlets in the state. They say the conversations need to happen earlier than many people think. "Probably the prime time though would be between the latter part of elementary school and into middle school," said Rajnii Eddins, a youth mentor who has worked with teens in schools, alternative programs and as an artist.

BUSINESS & LIFESTYLE News

U.S. Alcohol Sales Growing Faster in Hotels Than Wider On-Premise: The new Nielsen CGA Hotel Report, which measures consumer drinking habits in around 5,000 hotels in the US, showed that although 46% of American adults would drink beer during a regular drinking occasion this figures rose to 52% when they were at a hotel, with wine also showing a marginal uplift of 35%, compared to 34%. Cocktails were also more likely to be consumed at a hotel, rising to 32%, compared to 28% at regular drinking occasions, boosted by the popularity of Happy hour.

Low ABV, Fruit-Flavored Beers Are Having a Moment: If drinking a beer outdoors this spring reminds you of wandering through the fruit aisle at your favorite grocery store, you probably aren't alone. Fruit-flavored beer with an alcohol by volume (ABV) of less than 4.2%-compared to the average 5% ABV -has emerged as a serious contender among newer craft beers. But what actually makes these types of beers so appealing to such wide variety of consumers?

Bartenders Tell Us Their Go-To Bourbons to Mix into a Mint Julep: The Super Bowl has hours of pregame before any action on the field, but at least NFL games last a few hours. The Kentucky Derby has six-hours of pregame leading to a horse race that only lasts a few minutes. The upside here is that since the race is so short, you've got a lot more time to enjoy Mint Juleps. You know, the classic cocktail from the Bluegrass State made with bourbon (obviously), sugar, water, fresh mint, and crushed ice (usually served in a traditional silver or pewter mug).

Why More Retailers Are Raising a Glass to Alcohol Delivery: It takes just two clicks for shoppers to add six bottles of red wine from Thrive Market's curated collection to their online grocery cart. On Instacart, customers can pick a local store and load up their cart with craft beer or a few bottles of wine in two or three clicks. As companies continue to expand their e-commerce offerings, adding adult beverages to their

offerings can drive sales in a high-ticket category that's conducive to home delivery – from stock-up trips to fill out the wine cabinet to last-minute orders before a party starts.

Sierra Nevada's Pale Ale for Trails Aims to Clean Up America's Trail Systems: Sierra Nevada Brewing Company is launching Pale Ale for Trails in an effort to conserve "America's underfunded trail and river systems." To start the Pale Ale for Trails program, the California-based company is partnering with the American Hiking Society for more than 1,200 events on June 1, National Trails Day. "Spending time in the wild is good for the body, mind, and soul," said Sierra Nevada Founder Ken Grossman.

7-Eleven Launches Beer Delivery in 18 Cities: 7-Eleven has made its mark as a go-to stop for last-minute items, Slurpees (of all sizes), and as a cultural touchstone serving as the name-brand convenience store with a massive domestic and international footprint. So in 2017 when 7-Eleven debuted a delivery app, it was a rather remarkable admission that, while stores exist on corner after corner of American streets, the future was in bringing the store's candy, chips, and even organic, cold-pressed juices do customer's doors.

Amazon Intensifies Its Pursuit of Wine Sales: Retailers across sectors have been closing at a swift clip as more sales move to the web. The wine business is not immune to this trend and Amazon, since its 2017 acquisition of Whole Foods, does not intend to miss out on its piece of the wine-fueled pie. The Seattle-based behemoth recently placed an ad on its site for a Washington DC-based manager of public policy "to help lead state and local engagement and public policy activities related to alcohol regulation [and] ... manage consultants, trade associations and coalition partners".

This Startup Is Racing to Build the Amazon for Alcohol Before Amazon Does: If there's a retail sector that has barely gone digital, you can bet Amazon is trying to crack it. In the case of beer and alcohol, a startup called Drizly is moving fast to try to beat Amazon there. Since its founding in 2012, Drizly has let shoppers order beer, wine and alcohol through the Drizly mobile app and get it delivered from local liquor stores in under an hour.

How the Kentucky Derby Fueled Bourbon's Worldwide Boom: The popularity of the Kentucky Derby and its longstanding relationship with the state's flourishing bourbon industry have brought international demand for the spirit, Dan Wolken writes. "The defining culture of Kentucky, which we Kentuckians have always cherished, is that combination of bourbon and Thoroughbred racing," Maker's Mark Chief Operating Officer Rob Samuels said.

'Ice' Beers No Longer Recognized by Brewers Association: Craft beer, regardless of actual production or sales figures, is booming. The boom I'm referring to is the, at last count, 7,346 domestic breweries currently operating and the continuous evolution and introduction of new styles to the American brewer's and beer drinker's lexicon, which are not only pushing the industry forward domestically but abroad as well.

More Proof That Millennials Are Beer Snobs: People spend more on craft beer every month than they do on their monthly cell phone and utilities bills. Drinkers are shelling out an average of \$59 per month on beer, a new survey from Chicago-based market insights agency C+R research, found. Millennials spend \$5 more. More than half (56%) of millennials said they drank an ice cold craft brew at least once a week. Men are shelling out \$66, and women spending \$50 per month, the Brewers Association survey concluded. That's equivalent to most people's monthly utility bills and cell phone bills, respectively.

How Important Is a Wine's Integrity?: Baseball fans commonly refer to the period of time when numerous high-profile players took performance-enhancing drugs as the "Steroid Era." In wine, it can be mused that we are now living in the "Additive Era," in which it is not unusual for wines to be highly manipulated. Wine color too light? Add some Mega Purple. Looking for more oak influence or additional tannin? Some oak extract could do the trick. Technology exists that can alter just about any aspect of a wine.

Breweries Import Barley At a Premium; Beer Price Rise on Cards?: You may soon have to shell out more money for a cold one, as Indian breweries are likely to import barley this season to offset the shortfall in domestic production of the cereal. According to a report in The Economic Times, barley production in India may take a hit, with experts suggesting that domestic production may fall about 1.92 million tonnes from the previous year.

[Yes, Buying Alcohol Is Still Illegal in Parts of the U.S.:](#) The population of Beaver County, Oklahoma, is 5,315 and deeply divided. In a vote last year to determine whether alcohol sales should be made legal-it's been a dry county for more than a century-the wets initially prevailed, voting in legal liquor by a scant five votes. But then the provisional ballots were tallied. And the prohibitionists carried the day. So Beaver County remains alcohol-free. It is the last and only county in Oklahoma where you can't buy a legal drink.