

ABL WEEKLY

POLICY, INDUSTRY AND BUSINESS NEWS FOR BEVERAGE RETAILERS

Friday, July 19, 2019

Issue 390

MEETINGS & EVENTS

[July 29-31 - ECRS Ignite 19 Retail Success Conference | Nashville, TN](#)

[August 9-11 | TWSRA 2019 Annual Meeting | Gatlinburg, 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 9 - NYSLA 10th Annual Albany Holiday Trade Show | Albany, NY](#)

[October 10 - IABR Annual Meeting & Board of Directors Meeting | Indianapolis, IN](#)

[October 14-17 - TLW 84th Annual Fall Convention | Green Bay, WI](#)

[October 15 - NYSLA 10th Annual Buffalo Holiday Trade Show | Buffalo, NY](#)

[October 21-23 - ABL Fall Board Meeting & Industry Meetings | Washington, DC](#)

ABL & PUBLIC POLICY NEWS:

CBO Estimates Federal \$15 Minimum Wage Could Cost up to 3.7 Million:

A \$15 federal minimum wage would likely boost pay for 27 million US workers, lifting 1.3 million households out of poverty, according to an analysis released Monday by congressional economists. But the income boost may come with a cost: It could trigger 1.3 million job losses.

Is a Cannabis DUI Really the Same As Drunk Driving?:

Cannabis is legal for recreational purposes in 11 states around the nation. And along with that legal framework comes rules about how or when you can drive while under the influence of cannabis. When each state legalized cannabis, many simply tacked cannabis on to their existing rules about driving under the influence of alcohol, with cannabis DUIs garnering the same penalties as alcohol DUIs.

Why Not a 12-Ounce Can of Chardonnay?

Sen. Schumer Wants Rule Changed: Why can't you buy a six-pack of wine just like you can buy a six-pack of beer? In a nutshell, that's what Sen. Chuck Schumer (D-NY) is urging the federal Alcohol and Tobacco Tax and Trade Bureau (TTB) to allow. That agency is currently considering changing so-called "standards of

BMI Promotes David Levin to Senior VP of Licensing:

BMI today announced that David Levin has been promoted to Senior Vice President of Licensing, effective immediately. In his newly expanded role, Levin is responsible for all of BMI's domestic licensing and revenue generation, encompassing radio, television, digital media, cable, satellite and general licensing.

Laced Alcohol in Costa Rica Has Taken 8 Lives:

Altered guaro has taken the lives of six men and two women between the ages of 44 and 66 in the recent weeks. Because of this, the Ministry of Health has gotten involved and presented a criminal complaint to judicial authorities. The deaths were due to poisoning by a chemical called methanol. This is a non-drinkable form of alcohol frequently used in fuel and antifreeze. It is toxic when consumed.

Committee Hearing on Marijuana Policy

Overlooks Science: The House of Representatives Subcommittee on Crime, Terrorism, and Homeland Security held a hearing last week entitled "Marijuana Laws in America: Racial Justice and the Need for Reform." Shockingly, the organizers chose to ignore science in favor of marijuana businesses, whose only goal is to rake in

fill" rules for wine and cider in cans. It's inviting public comment on the matter through the end of August.

7 Reasons Marijuana Has Virtually No Chance of Being Legalized in the U.S. Before 2021:

If investors were to look around, they'd probably find a number of fast-growing trends, such as blockchain, cloud computing, and gene therapy in the healthcare sector. But there's perhaps no industry with a more impressive growth rate at the moment than marijuana. It would appear that sales for the cannabis industry are only limited by our imagination.

Juul CEO to Parents: 'I'm Sorry': Kevin Burns, CEO of Juul Labs – the maker of the bestselling e-cigarette in the U.S. and center of federal regulators' crackdown into what they're calling a teen vaping "epidemic" – has a message for parents whose children are addicted to his company's products: "I'm sorry."

Alcohol-Selling Insureds Face a Number of Liabilities Under Dram Shop Laws:

The microbrewery market is built on innovation — innovation in flavors, business models and even beer names. Yet this modern, clever and adaptable industry is beholden to some comparatively old rules, regulations and laws. So-called dram shop laws determine to what degree a bar or other seller of alcohol is liable for injury caused to or by their intoxicated patrons.

Roadside Saliva Tests Are In Question: In recent years, several countries have loosened their stringent legislation on the use of recreational and medical marijuana. While this action may have initially been perceived well by cannabis users and other interested parties, certain issues including driving while impaired has become a nightmare.

profits by selling today's extremely potent form of marijuana. It was like we were transported to a tobacco hearing in 1950, when Big Tobacco execs ruled.

Congress Can Solve the Cannabis Banking Conundrum Now:

With the number of states legalizing cannabis in some form continuing to grow, it's understandable that Americans with differing views would want to debate whether it's time to reform the nation's marijuana laws. As representatives of the credit union and banking industries, we aren't focused on the legalization debate.

\$15 Minimum Wage Bill Headed to House Floor:

Democrats Opens a New Window. are expected to bring a bill to raise the federal minimum wage Opens a New Window. to \$15 per hour to the House floor on Thursday. The legislation would increase the national minimum pay rate to \$15 per hour over the course of six years through scheduled annual increases. It has more than 180 co-sponsors, including support from House Speaker Nancy Pelosi, D-Calif., and Senate Minority Leader Chuck Schumer, D-N.Y.

RNDC and Young's Expanded Partnership Cleared by Federal Trade Commission:

Republic National Distributing Company (RNDC) and Young's Market Company (Young's) announce that the joint venture partnership between the companies has been cleared by the Federal Trade Commission. The combined company will serve customers in 32 states and the District of Columbia.

More Retailer Shipping Cases Spring Up Following Supreme Court Decision:

The recent Supreme Court decision (Total Wine & More v. Tennessee) didn't provide much clarity on retailer shipping, though it did potentially pave the way for it. In just the last couple weeks, two retailers filed two separate lawsuits in two different states to fight for the ability to ship wine directly to out-of-state consumers.

INDUSTRY NEWS:

Alcohol & Tobacco Tax & Trade Bureau (TTB): [TTB Newsletter – Weekly News \(July 19\)](#)

Healthy Alcohol Marketplace: [How Alcohol Marketplace Domination Creates Problems for Public Health and Safety](#)

3x3 Insights: [Retail Untapped Episode 33: How the Long Drink Is Shaking Up Spirits](#)

Alcohol Law Advisor: [Implications of the Supreme Court's Tennessee Retailers Decision](#)

Beer Business Daily: [White Claw Snagged Around a Third Share of Total Beer Over The Fourth](#)

Brewbound: [Total Beer Dollar Sales Up 5 Percent During July 4 Holiday Week](#)

Brewers Association: [The Beginning of a Beautiful Friendship](#)

Brewers Association: [Midyear Scan Data Shows Craft Drinkers Demand for New and More](#)

Center for Alcohol Policy: [Center Announces 12th Annual Essay Contest](#)

Nielsen: [How Legal Marijuana Use Is Affecting the U.S. Snacking Industry](#)

Law360: [TTB Label Regulations Infringe Brewers' Civil Liberties](#)

SevenFiftyDaily: [How to Troubleshoot Common Draft Problems](#)

VinePair: [Hop Take: White Claw Rips Into Craft Beer Sales](#)

Wine & Spirits Daily: [Why Constellation Won't Be Making Big Acquisitions in the Near Future](#)

Wine & Spirits Wholesalers of America: [WSWA Wraps 26th Annual Council for Leadership Development Conference](#)

Wine Spectator: [Will the Supreme Court's Tennessee Decision Dramatically Change the U.S. Wine Market?](#)

INDUSTRY SPOTLIGHT:

DRAUGHT BEER QUALITY MANUAL

Perfect for professional and home draught systems

Put Your Best Beer Forward

Fourth edition now available

BREWERS PUBLICATIONS.

The [Draught Beer Quality Manual](#) is an indispensable resource for brewers, wholesalers, retailers, and draught system installers. Prepared by the Brewers Association Technical Committee, this fourth edition includes updated best practices, detailed information about line cleaning, draught system components and design, gas dispense and balance, proper pouring, sanitation and growlers is organized with your needs in mind. The goal is simple — to improve draught beer quality and ensure that beer makes it into the consumer's glass as the brewer intends.

AFFILIATE NEWS:

Massachusetts Package Stores Association

[Package Stores Oppose Consumer Discounts](#)

Package store owners are resisting a proposal to lift the state's prohibition on discounts for beer, wine and liquor sales, saying it will drive small, mom-and-pop retailers out of business. The proposal, which went before the Legislature's Committee on Consumer Protection and Professional Licensure on Monday, seeks to eliminate a decades-old rule banning alcohol retailers from issuing coupons and loyalty cards.

STATE & LOCAL NEWS:

[Alaska: Proposed Ordinance to Amend](#)

[Alcohol Laws Passes Introduction](#): An ordinance that would amend the current Bethel Municipal Code's alcohol laws passed introduction during the Bethel City Council's June 25th regular meeting. The proposed amendments would implement more strict laws associated with the sale, distribution, purchasing and consumption of alcoholic beverages, states Ordinance 19-14, in an effort to mitigate nuisances and harm caused by alcoholic beverages in the community.

[California: Project Targets Minors' Alcohol](#)

[Access](#): Stephen Updyke and Desirae Tainatongo of Tarzana Treatment Centers sought the Lancaster Criminal Justice Commission's support for a voluntary Merchant Committed program designed to help merchants prevent sales and access of alcohol to minors and help diminish its appeal among the Valley's youth.

[California: Lackey's Bill to Increase Research Regarding Cannabis' Impact on Driving](#)

[Signed into Law](#): Assembly Bill 127 enables the California Highway Patrol (CHP) to conduct research on CHP property utilizing drivers under the influence of drugs or a combination of drugs and alcohol without those drivers being subject to standard impaired-driving laws, according to the legislation. "I would like to thank everyone who partnered with me in our fight against impaired driving," said Lackey in a statement.

[California: City Approves First-of-its-Kind](#)

[Cannabis Cafe](#): The city of West Hollywood, California, has approved the United States' first-ever cannabis café, Los Angeles' WABC-TV reports. Over the past decade or so, 11 states (Illinois being the most recent) have approved recreational marijuana, or cannabis,

[New York: State Liquor Authority Threatens](#)

[Delivery Services Over Hefty Fees](#): Grubhub might have to swallow hard when it reads this new set of rules. The New York State Liquor Authority - a powerful agency that regulates restaurants serving alcohol statewide - is developing new rules that will significantly curb the stiff fees that can be charged by food-ordering companies like Grubhub, Uber Eats, DoorDash and Postmates, The Post has learned.

[North Carolina: Omnibus ABC Bill Headed to](#)

[House Floor](#): House Bill 536, ABC Omnibus Regulatory Reform, has cleared the N.C. House committee on Rules, Calendar, and Operations and heads to the floor for a vote. The bill is now a proposed committee substitute, including the original bill and aspects of House Bill 91, originally the product of a study by the Program Evaluation Division.

[Oregon: Marijuana Surplus a Cautionary Tale](#)

[for Other States](#): Five years after Oregon legalized recreational marijuana, its lawmakers now are trying to rein in production, fearing the state's big weed surplus will tempt some licensed businesses to sell their products out of state or on the illegal market. Such diversions could invite a crackdown from the federal government and cast a pall over the legal pot industry.

[Oregon: Liquor Licensees React to Fees](#)

[Doubling](#): Annual fees for Oregon Liquor Control Commission liquor licenses are set to double this fall, to more closely align with costs and with what other states charge, the agency said Monday. With action approved in the 2019 legislative session, the fees for 19 common license types - affecting stores, bars, restaurants, breweries and wineries - will double.

sale and use, and several more have approved it for medical use.

Colorado: Legal Eagles Bewildered Over New Felony DUI Law: A motorist facing a felony for driving under the influence has the right to a preliminary hearing to determine whether there is enough evidence to go to trial, but that doesn't mean prosecutors have to present evidence to support the charge is warranted, under two conflicting rulings in the state's appellate courts. That issue has prosecutors and defense attorneys — not to mention presiding judges — scratching their heads over how to handle felony DUI cases.

Hawaii: State Has Decriminalized Marijuana: Hawaii on Tuesday decriminalized marijuana, making it the 26th state to decriminalize or legalize the drug. The new law removes the possibility of jail time as a penalty for up to three grams of marijuana, but maintains a \$130 fine. Hawaii's Democrat-controlled legislature approved the bill and sent it to Democratic Gov. David Ige in May.

Illinois: Pritzker Names Melody Spann Cooper Commissioner for State Liquor Commission: Gov. J.B. Pritzker on Tuesday named Melody Spann Cooper — the owner of Chicago's only African American owned radio station, WVON-AM — a commissioner to the Illinois Liquor Control Commission. Spann Cooper is the chairman of Midway Broadcasting Corp., parent owner of WVON-AM 1690, which she bought in 1999.

Massachusetts: State Bills Would Equalize Minimum Wages for Wait Staffers, Other Workers: Two bills filed in the state Legislature could raise the wages of thousands of waitstaff at restaurants across Massachusetts. The "one fair wage" bills S.1082 and H.1617, sponsored by state Sen. Patricia D. Jehlen, D-Somerville, and state Rep. Tricia Farley-Bouvier, D-Pittsfield, would steadily equalize the minimum wage for tipped and non-tipped workers by 2027.

Michigan: Breweries Sue Liquor Commission Over 'Vague' Laws: When Michigan government officials raided Greenbush Brewing Co. on June 19, seized wine and cider, and shut down their sales, owner Scott Sullivan was more than 750 miles away. "Someone called me later, and said the liquor

South Dakota: Lawmakers Approve Changes to South Dakota Alcohol-Sales Rules: New rules take effect in a few weeks in South Dakota allowing alcohol retailers to offer loyalty and reward programs to their customers and streamlining the price-reporting process for wholesalers. The Legislature's Rules Review Committee unanimously agreed to give a green light to the changes Monday. The new regulations have been taking shape since November, when lawmakers rejected several proposals from the state Revenue Department.

Tennessee: Pupils Among Most Likely in Nation to Use Drugs and Alcohol: Tennessee students are among the most likely in the nation to take drugs in high school, according to a recent report from Project Know analyzing Youth Risk Behavior Surveillance data. Over 25% of Tennessee students admit to consuming alcohol at school.

Texas: Houston Alcohol Referendum Passes: The special election to decide whether or not to permit the sale of alcohol inside Houston city limits was held today. The results are 681 to 248 in favor of the sale of beer and light wine, and 661 to 264 in favor of the sale of liquor and spirits. This information comes from Houston City Hall where the votes were counted.

Utah: DUI Crashes, Fatalities Down, but Arrests Remain Consistent Under .05 BAC Law: Authorities say there has been a drop in alcohol-related crashes reported in Utah in the wake of a new law that lowered the state's blood alcohol content standard, though a direct correlation has yet to be determined. According to a recent report released by the Utah Department of Public Safety, the number of traffic-related fatalities and injuries are down significantly since the Dec. 31 implementation of Utah's 0.05-percent blood alcohol level limit, the strictest limit in the nation.

Virginia: A Happy-Hour Victory Brings 'Bittersweet' Ending for the Chef Who Started the Fight: "What alcoholic drink starts with an F?" That question nagged at me on a recent drive home. It was on the day Virginia finally made it legal for restaurants to use creative terms to describe happy hours, and

commission raided us, then asked to look around," Sullivan said. "No one knew enough to tell them 'No way'. People thought, 'Oh, the liquor commission is here, we have to let them in the back'."

Minnesota: Forensic Experts Question Reliability of Breathalyzer Used by Law Enforcement Agencies: A 5 Eyewitness News investigation has found testimony of forensic experts questioning the reliability of the breathalyzer used by more than 200 Minnesota law enforcement agencies. KSTP also found court rulings issued by four judges in three different counties ordering the manufacturer of the DataMaster DMT Breathalyzer, Intoximeter, Inc., to give the breathalyzer software to defense attorneys for "further testing" to ensure it's reliable.

Mississippi: City Will Vote on Legalizing Alcohol: Voters will soon decide whether alcohol sales will be allowed in Houston, Mississippi. WCBI-TV reports constituents will vote Tuesday on two points - whether to allow the sale of beer and light wine and whether to legalize the sale of liquor.

New York: Lawmakers Consider Proposal for Tougher Drunk Driving Limits: The New York State Assembly and Senate are considering a controversial bill that seeks to lower the legal limit at which an individual can be arrested for drunk driving. Under the proposal, the state's blood alcohol content (BAC) threshold would drop from .08 to .05 for driving while intoxicated (DWI) and from .18 to .12 for aggravated DWI. The legislation is currently pending in both houses.

the moment I learned that, my brain sent me a wordplay invitation. In my mind, suddenly I was a restaurateur, writing my happy-hour signs.

Virginia: Court Reinstates Challenge to 'Habitual Drunkard' Law: A lawsuit challenging an unusual Virginia law that allows police to arrest and jail people designated as "habitual drunkards" was reinstated by a deeply divided federal appeals court Tuesday. The 4th U.S. Circuit Court of Appeals ruled that the challenge to Virginia's so-called interdiction law can move forward.

Washington: Reports of Young Kids Exposed to Cannabis Spike After Legalization: Washington Poison Center calls involving young children with unintentional exposure to cannabis have almost tripled over the last five years, according to a report released Wednesday from the center. The organization's 2018 Cannabis report shows the center received calls about 94 kids under 5 years old who were exposed to cannabis in 2018 compared to 34 kids in 2014 when retail cannabis stores opened in Washington.

Wisconsin: State Courts Are Pioneering the Use of Automated Alcohol Screening: Minneapolis-based Precision Kiosk Technologies announced that the Sheriff's Offices of Lafayette and Waupaca Counties in Wisconsin have begun using Automated Breathalyzer Kiosks (AB Kiosks) to conduct court-mandated alcohol screening. They join the Wisconsin counties of Iowa, Racine, Door, Portage, and St. Croix in pioneering this new technology, which since January 1, 2018, has autonomously conducted more than 50,000 tests with an alcohol-free compliance rate of 99.5%.

BUSINESS & LIFESTYLE NEWS:

What the Cannabis Industry Can Learn from History: We believe cannabis investors can learn two lessons from the history of the alcohol industry: price actions and growth tactics. Price actions of alcohol companies surrounding the era of prohibition should be a cautionary tale on overvaluation. Cannabis companies mirror three main growth tactics used by Anheuser-Busch and Coors: vertical integration, innovation, and marketing.

Pilsners Are an Elegant Outlier to the Craft Beer Hype Machine: Pilsners have one of the most dynamic backstories in beer, yet their role in craft beer currently raises questions. Today's craft beer drinkers gravitate toward brews with strong, bold flavors and vivid colors, with IPA leading this trend. Are pilsners on the verge of becoming the Bordeaux of the craft beer world?

Online Canned Wine Club Rides DtC Wave and Expands into Bricks and Mortar: A small town Ohio girl, Angela Allison, without either wine training or appreciation was smitten on a trip to Napa Valley. After some wine education, she remained smitten so she started a Northern California wine club, which is the genesis of her online subscription company, Wine Society, launched in 2018, with the motto, "Screw the Cork," and a focus on wine in cans. Today it's clear she was onto something.

Mixing Alcohol and Sun? Beware, a Buzz Begets a Faster Burn: Sun exposure is the leading risk factor for developing melanoma. And there's evidence that alcohol consumption is linked to an increased risk of skin cancer, too. Part of the explanation is that when people drink, they tend to be more lackadaisical: They're less likely to apply sunscreen and more likely to spend too much time in the sun, be it at the beach or pool. But this isn't the whole story.

Drizly Launches New Custom Report for Retailers Detailing Top-Selling Items They're Not Carrying: Drizly made a powerful new report available to retailers on its platform that details items selling strongly locally and nationally that are not currently shoppable at their stores via Drizly's e-commerce marketplace, the nation's first and largest. The report's data and insights, provided free as a service enhancement to Drizly retail partners, aims to help retailers increase sales in the short-term and make better informed longer-term planning decisions based on developing trends.

Restaurants Strike Back in Food-Delivery War: In online takeout, it is getting harder to understand who is serving whom. While the U.S. online food-delivery market continues to burn hot, data from KeyBanc suggests growth in restaurants offering the service may be slowing. That could limit the whole sector's long-term growth, as restaurant selection is key to consumer adoption of delivery apps.

Sicilian Wines Build U.S. Following with On-Premise Focus: Sicilian wine producers have shifted gears over the past five or six years, and they're now emphasizing more upscale labels and making inroads in the U.S. market—

In Focus: Low-and-No ABV Drinks: It's a strange thing when, every day for the past six months, we've had over 1,000 people visiting our website just to read a page-turner on non-alcoholic beer. Food and mocktail matching, sober raves and mindful festivals are in vogue. No longer just for designated drivers or killjoy gym bunnies, it is now a "ridiculously exciting" time to want to order a low-ABV drink at the bar, according to Shilen Patel, co-founder of the Diageo-funded accelerator Distill Ventures.

Why the Wine Industry Is Talking the Threat and Opportunity of Cannabis So Seriously: Much has been written and predicted about the potential size and impact of the continued legalization of cannabis in key markets around the world, noticeably in North America, on the health and ability of the drinks industry to compete. The numbers being quoted for legal cannabis consumption take your breath away. BDS Analytics, the specialist cannabis data insights business, claims the global cannabis market is going to increase by 39% to \$17 billion in 2019 alone.

Non-Alcoholic Beverages Grow Even More Popular: The health of the environment and personal health and wellness are two important factors for consumers buying beverages this year, reports Foodbev.com. Millennials will be a key driver of these trends, with 36% of 16-24 year-olds in full-time education now abstaining from alcohol, according to a UCL survey of students.

Diageo Mulls Creation of Non-Alcoholic Guinness: Diageo is reacting to a growing demand for low-alcohol products. The company's global head of innovation, Michael Ward, has admitted that the company has been working on a non-alcoholic version of Guinness, although he said that developing such a product posed "a lot of challenges to work through."

Jim Beam Will Face Fines Over Lightning-Caused Bourbon Fire That Contaminated River: A Jim Beam bourbon warehouse in Woodford County, Ky., burns July 3, 2019, after catching fire the night before. Runoff from the blaze contaminated nearby waterways and Jim Beam will face fines, authorities said. Authorities say Jim Beam will be fined for the

primarily at the super-premium and luxury tiers. Volumes are still relatively small, but Sicily has become a favorite category among sommeliers, and consumers are increasingly willing to explore what it has to offer.

Diageo Breaks Ground On \$130 Million Kentucky Distillery: Diageo has broken ground on its new \$130 million distillery in Lebanon, Kentucky, and revealed more details on the project. To be known as the Diageo Lebanon Distillery, plans call for a 72,000-square-foot distillery and dry house, as well as 12 barrel warehouses. The facility is expected to be fully operational in 2021.

warehouse fire that contaminated nearby waters with bourbon and killed fish.

7 Ways to Talk to Your Teen About Drugs and Alcohol: When tough subjects like alcohol, drug use and vaping come up at home, parents can employ some key strategies to keep the lines of communication open with their teenage children and support them in making healthy choices. Sincere empathy and a genuine desire to learn about a teen's experiences can help parents empower their children to make smart decisions on their own. That, after all, should be one of the main goals of parenting any adolescent child, said Kellyn Glynn, behavioral health supervisor with the Summit Community Care Clinic.