

ABL WEEKLY

POLICY, INDUSTRY AND BUSINESS NEWS FOR BEVERAGE RETAILERS

Friday, September 13, 2019

Issue 398

MEETINGS & EVENTS

[September 12 - IABR Fall Golf Outing | Indianapolis, IN](#)

[September 15-17 - ILBA Annual Convention & Tradeshow | LaSalle, IL](#)

[October 2 - UBRA Board & General Membership Meeting | Little Rock, AR](#)

[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](#)

[March 29-30 - 2020 ABL Annual Meeting](#)

ABL & PUBLIC POLICY NEWS:

[The Composition and Magnitude of Alcohol Taxes in States: Do They Cover Alcohol-Related Costs?](#)

At least one type of tax is applied to the sale of alcoholic beverages in all U.S. states. The purpose of this study was to characterize the composition and magnitude of alcohol taxes in states and to assess the relationship between total alcohol taxes (federal plus state) and the cost of excessive drinking.

[BMI Sets Revenue Records With \\$1.283 Billion](#)

BMI ended its fiscal year on June 30 once again breaking revenue records with \$1.283 billion, up 7% over the previous year. BMI also distributed and administered \$1.196 billion to its songwriters, composers and publishers, its highest distributions ever, and a 7% or \$78 million increase over last year.

[Can the FDA Regulate Vaping as an Ethical Alternative to Tobacco Cigarettes?](#)

In general, it is recognized that the government has an ethical obligation to pass laws and regulations that protect its citizens from harm and, by extrapolation but more controversially, promote their welfare. As such, entities such as the U.S. Food and Drug Administration (FDA) have been established to execute this goal.

[U.S. Is Still Considering French Wine Tariffs in G-7 Reversal](#)

The U.S. is moving ahead with an investigation into a new French digital tax that could lead to import tariffs on French wine and other goods, despite hopes raised at August's G-7 summit. A senior Trump administration official confirmed that it's continuing a Section 301 probe into the French measure and its impact on American digital champions including Amazon.com Inc., Facebook Inc., and Alphabet Inc.'s Google.

[Alcohol and Smoking - Changing Perceptions May Drive Tough New Legislation](#)

In societies across the globe, the consumption of alcohol is deeply ingrained, associated with cultural traditions dating back hundreds or even thousands of years. It brings people together, and it is how they celebrate, commiserate and unwind.

[Lawsuits Nationwide, Proposed Legislation Follow SCOTUS Ruling on Interstate Shipping](#)

In the wake of a U.S. Supreme Court decision that some say prevents states from discriminatorily banning out-of-state retailers from shipping wine to in-state consumers, a national retailers group is pushing to get legislation passed in Albany that would do

Congress Set for Maneuvering to Avoid

Another Government Shutdown: With a limited amount of time to avoid a second government shutdown this year, members of the Senate Appropriations Committee might end up in a full-fledged sprint. Prior to the August recess, the House passed 10 out of 12 of its annual funding bills.

Modern-Day Bootlegging: Facebook Shuts Down 'Bourbon Secondary Market'

Call it modern-day bootlegging-- selling alcohol on sites like Facebook has always been illegal. But within the last few months, the social media giant has taken action to make sure its users are following the law. Facebook is deleting all pages and groups pertaining to the sale of alcohol, including the popular "Bourbon Secondary Market" page.

away with a key part of New York's current wine-sales legal structure.

Trump Proposes 100% Tariff That Would Double the Cost of European Wine, Cheese and Olive Oil

American consumers could soon be forced to pay double for some of the most desirable European products if the Trump administration gets its way. The Trump administration has proposed a tariff of up to 100 percent on \$25 billion of European products, including cheese, wine, meats, olive oil and pasta, CNN reports.

INDUSTRY NEWS:

Alcohol & Tobacco Tax & Trade Bureau (TTB): [TTB Newsletter – Weekly News \(September 13\)](#)

MIC Coalition: [Statement on Submissions to DOJ in its Review of the ASCAP and BMI Consent Decrees](#)

National Association of Wine Retailers: [21 States in Violation of Constitution After Tennessee Wine Supreme Court Case](#)

SevenFiftyDaily: [How Craft Brewers Are Redefining the Nonalcoholic Beer Category](#)

Shanken News Daily: [Impact's "Hot Prospect" Spirits Brands Showcase A Diverse Mix Of Rising Stars](#)

Wine & Spirits Daily: [Rose Popularity Drops in DTC Channel](#)

Wine & Spirits Daily: [Breakthru Chief Talks RNDC Deal, Performance & Cannabis](#)

Wine & Spirits Wholesalers of America: [WSWA Celebrates Truck Drivers During National Truck Driver Appreciation Week](#)

Wine & Spirits Wholesalers of America: [Champions of Responsibility Awards Dinner to Recognize Nominees for Their Work to Fight Underage Drinking](#)

AFFILIATE NEWS:

Illinois Licensed Beverage Association
[State Beverage Convention Coming to Utica](#)

Local leaders in the food and beverage industry will host the state convention of the Illinois Licensed Beverage Association, with speakers and programs Sunday, Sept. 15-Tuesday, Sept. 17 at Grand Bear Resort. A trade show, geared to the hospitality industry and business owners, will be open to the public noon-3 p.m. Sept. 16.

CANNABIS NEWS:

Dope Operation Sparks Winery Lawsuit: A number of people who live next to legal cannabis farms have sued in federal court, using the federal RICO racketeering law to complain about the smell. Those lawsuits have generally gone nowhere. But a RICO lawsuit in Oregon passed an important hurdle last week because it was filed not by just any aggrieved neighbor, but by a vineyard owner. And that owner's claim was not just that growing weed smells bad – they claim the smell cost them a sale of wine grapes.

U.S. Sales of Cannabis Projected to Reach \$30 Billion by 2023 and \$66.3 Billion by 2025: Sales of legal cannabis in the U.S. amounted to nearly \$10 billion in 2018. New Frontier Data's Hemp Business Journal estimates that, in leading all hemp product categories, the hemp-derived CBD market was a \$390 million-dollar market in 2018.

Why the Most Pro-Marijuana Congress Ever Won't Deal with Weed: This could be a big moment for marijuana and Congress. But Democrats are fighting Democrats over whether to focus on social justice issues or industry priorities like banking. Marijuana advocates are divided among themselves over whether to push for full legalization or settle for less far-reaching legislation.

CannTrust Cuts 20% of Staff As New Revelations Fuel Scandal: Embattled Canadian cannabis producer CannTrust laid off 20% of its staff—approximately 180 people—on Thursday as fallout from its cultivation violations continues apace. The cuts primarily came from the cultivation and customer service departments.

ASSOCIATE SPOTLIGHT:



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

Republic National Distributing Company is one of the nation's leading wholesale beverage alcohol distributors, specializing in wine and spirits. As the preferred partner for alcohol producers who value the three-tier system, we create branded products and productivity for all parties involved. We serve as a product liaison between suppliers and those who sell alcoholic beverages - defined by its impeccable customer service, unrivaled expertise in beverage education, and a broad product portfolio.

STATE & LOCAL NEWS:

Alaska: History of Alcohol in Bethel Elections: 2009 was the year that Bethel went from "damp" to "wet" in terms of alcohol regulations. The town's first liquor store in more than 40 years opened in 2015. But why were there six years in between, when liquor stores were legal but non-existent?

California: Glassware Bill Poised to Pass Legislature: On final consideration for Senate passage, A.B. 1133 allows a beer manufacturer up to give up to five cases of glassware – a total of 120 pieces – to an on-sale retail licensee, as specified, and allows an on-sale retail licensee to accept, without direct or

New York: Boozy Big Box Worries College Point Liquor Stores: The daughter of a millionaire booze mogul has her sights set on College Point, leaving fearful mom-and-pop liquor merchants, a delegation's worth of flip-flopping legislators and political dollars in her wake.

New York: Marijuana Legalization Opponent Directed to Identify Donors: The sources of funding for a group lobbying against legislative efforts to legalize adult use of marijuana in New York could soon be revealed. The state Joint Commission on Public Ethics on Tuesday denied a request

indirect charge, up to 10 cases of glassware – a total of 240 pieces – per licensed location from licensed beer manufactures.

Colorado: State Considers Higher Vaping, Smoking Age: Colorado lawmakers are putting together a bill that would raise the statewide minimum vaping and smoking age to 21, the Denver Post reports. "My primary concern here is I'm interested in stopping teens from using it," said Rep. Colin Larson (R).

Georgia: State Ranked as One of the Strictest for DUI Penalties: Depending on the state you call home, it may cost you more if you're caught driving under the influence of drugs or alcohol. A study released at the end of August ranked the states with the least and most lenient laws and legislation for persons convicted of driving under the influence.

Illinois: Growler-Crowler Sales Addressed: Signed by the Governor, House Bill 3610 makes changes to provisions authorizing a manufacturer, distributor, or importing distributor to sell coil cleaning services and dispensing accessories.

Michigan: Warning Labels on Marijuana Two Steps Closer to Law: Legislation to require warning labels on marijuana products sold in Michigan is two steps closer to becoming law. The State House passed the bills introduced by State Rep. Thomas Albert, a Republican from Lowell.

Minnesota: St. Paul Increases Age for Entering Liquor Stores: Anyone inside a liquor store in St. Paul must now be old enough to drink. St. Paul city council members on Wednesday raised the age of people allowed to enter liquor stores from 18 to 21. The intent is to deter minors from gaining access to alcohol, said Ward 1 Council Member Dai Thao, who proposed the measure.

Montana: DOR Proposes Overhaul of Breweries, Wineries, Wine Reporting Requirements: The Montana Department of Revenue (DOR) Sept. 6 proposed to adopt, amend, and repeal the regulations on breweries and wineries for excise tax purposes. A public hearing will be held on Sept. 30, and written data, views, or arguments may be submitted by Oct. 4.

from the New York chapter of Smart Approaches to Marijuana to keep its donors private.

New York: Support for Total Wine & More Is Waning in Queens: A feisty group of mom-and-pop retailers and some flip-flopping legislators are trying to thwart one of the nation's biggest wine and liquor chains from opening in Queens, The Post has learned.

New York: Liquor Authority Wants Uber Eats to Get a Liquor License: Food delivery app services like Grubhub and Uber Eats might have to get liquor licenses if they want to keep doing business in New York state. A proposal from the state liquor authority would require third-party vendors who charge commissions on a liquor-license-holding restaurant's sales to be added as a principal on that liquor license.

Oregon Liquor Control Commission Will Ask Cannabis Shops to Review Vaping Products: If that directive sounds squishy, it is: No specific criteria for how stores should determine whether they should pull products is provided. Health agencies, both on the state and national level, are still trying to figure out what specific vaping brands or products might be the culprit in the 450 severe respiratory illnesses related to vaping that have been reported nationwide.

Pennsylvania: Liquor Control Board's Flexible Pricing Ability Could Be Repealed: A bill in the state could change the way liquor is priced here in Pennsylvania. The House Liquor Control Committee held a public hearing on House Bill 1512. It would repeal the Liquor Control Board's flexible pricing ability. The bill's sponsor says flexible pricing hasn't lowered prices or brought in more revenue for the state.

Utah: State May Face Beer Shortage As Alcohol Content Change Approaches: Beer consumers could see some of their favorite brands run out at their local grocery store in the next several weeks. This would come as retailers, wholesalers and breweries gear up for when Utah law allows a higher alcohol content in its beers at local grocery stores and convenience stores.

Virginia: DADSS for BAC Driven to Protect for

a Year: This week marks the first anniversary of Virginia's Driven to Protect Initiative, which the Commonwealth launched in 2018 to test innovative technology to eliminate drunk driving and save lives on Virginia roads.

BUSINESS & LIFESTYLE NEWS:

How Does Gen Z Respond to Seasonal

Alcohol Favorites?: Gen Z-ers of drinking age are more traditional than they are given credit for, showing strong interest in IPA craft beers and wine moving into the autumn season, despite the noise and popularity of flavored malt beverages (FMBs) and CBD products.

U.S. Supplies of White Claw Hard Seltzer

Run Dry: America is running out of the trendy hard seltzer due to its massive spike in popularity. "We are working around the clock to increase current supply and total capacity heading into 2020 so that we can get every consumer White Claw when they want it," White Claw president Phil Rosse told CBS News in a statement.

From Binge Drinking to Blacking Out, the Disturbing Epidemic Putting America's Kids

in Danger: On America's college campuses, there are epidemics we talk about and those we don't. There's sexual assault. There are fraternity hazing deaths. And in both cases, the attention of the nation usually turns to these issues only after a tragedy has occurred... after Penn State freshman Timothy Piazza dies from consuming 18 drinks in 82 minutes.

Ask Kate About Beer: What Beers Do You Recommend for Hops Haters?:

An aversion to hops isn't this commenter's cross to bear alone; I hear from many drinkers who don't like either the flavor or bitterness of humulus lupulus. I even answered a question once from a person who was allergic to them. While the advice I gave there could potentially apply to the hops-averse as well, I don't think the commenter above needs to swear off hops entirely.

Anheuser-Busch, American Red Cross Team

Up for Hurricane Relief: More than 100,000 units of canned water will arrive in communities in advance of Hurricane Dorian. The donation from Anheuser-Busch is a

Wine-Fueled Ponzi Scheme Sounds Like a Really Low-Stakes 'Law & Order' Episode:

Omar Khan, a business consultant known for wooing investors with his extravagant tastes in wine and food, is being investigated by the Manhattan DA's Major Economic Crimes bureau after allegedly conning people into investing in his events business-and then never paying out.

Sazerac House Celebrates New Orleans

Cocktail Culture: Visitors to New Orleans who want to learn more about cocktails will soon have a new place to go. No, it's not another bar. The Sazerac Company, a Louisiana-based spirits maker, is opening the Sazerac House on October 2. Described as an "immersive exploration of the spirited culture of New Orleans," the six-story building houses multiple floors of exhibits as well as a gift shop and the company's headquarters.

Wine in Cans Soars in Stores: While design for high-end wines continues to build on visual cues that communicate luxury and tradition, with glass bottles being key to that, those reaching to a majority of consumers below that level increasingly are embracing aluminum packaging. Vintners historically have taken the pulse of consumer trends by talking with consumers and trade market experts who focus on wine.

Constellation Brands to Close Another Ballast Point Taproom, This Time in Virginia:

Constellation Brands is closing another Ballast Point taproom. The New York-headquartered beer, wine and spirits giant plans to close the taproom and restaurant at its Daleville, Virginia, production facility by the end of September, according to the Roanoke Times.

How the Hell Is White Claw Hard Seltzer

Outselling Budweiser?: Now that millennials have reportedly knocked off napkins, doorbells, and diamonds, beer looks to be the

response to a request from the American Red Cross to support aid efforts. While the newest projections suggest that Florida may miss the eye of the storm, Central Florida is still projected to be in Dorian's cone.

next victim on their hit list. This is no joke. Millennials are drinking staggering amounts of hard seltzer instead of beer.

Big Retailers Like Walmart Are Tiptoeing into Alcohol: As Walmart continues to try to expand its domain, alcohol is increasingly part of the equation. At the Goldman Sachs Retailing Conference last week, Walmart's chief merchandising officer Steve Bratspies made that clear.