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March 14, 2023

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NABCA News

The NABCA Legal Symposium Enters its 30th Year

NABCA

March 13, 2023

From its beginning when a handful of beverage alcohol regulators informally met in the 1990s to what is it now, the NABCA Legal Symposium has become an event sought by attorneys, regulators, and industry representatives for the value it brings with substantive educational sessions and networking.

The first day of the conference presented full-room and concurrent sessions addressing a variety of topics, many of which are summarized below.

Promoting Competition in the American Economy: One Year Later

What is the best model to fit the alcohol industry today? Panelist Richard M. Blau, J.D., GrayRobinson, P.A., lead the discussion. Also on the panel were Carrie May, Assistant Administrator, Field Operations for the TTB, and former United States District Judge for the Eastern District of Virginia, Walter Kelley. With antitrust being at the forefront of many initiatives of Biden's Administration, this panel tempered the expectation of a quick resolution. Kelley said this is an intricate issue since we are dealing with the 21 Amendment. The panel said in June of 2021, the U.S. House introduced several bills focusing on antitrust regulation and reform; however, the Senate has not taken any action since October 2022.

Blau raised the question, in the absence of a cohesive, unified, and uniformly accepted legislative approach, what are regulators doing to address competition in the alcohol industry? Kelley discussed how the government is responsible for a system's "check and balance" and how quickly things are changing in this field.

May said the Alcohol and Tobacco Tax and Trade Bureau (TTB) is working hard to reduce barriers. She also talked about the TTB's efforts to streamline processes for the industry by collecting less information but ensuring they get the correct information. Kelley said if we look at the consumer's perspective, things have never been better with their accessibility to alcohol. While much discussion has been on changing laws, the room was reminded that regulators do not have the last say. When industry members disagree with a law or the enforcement of that law, they can turn to the courts for relief.

Tech & Tied-House

The Q & A format of this presentation posed questions that brought about the nuance of what it means to be a three-tier compliant online third-party retailer and the difficulty that regulators and enforcers face in determining an outcome that prevents a licensee from losing their alcohol license.

Tide-House laws date back to prohibition and to preventing the practices that occurred that caused alcohol related harms from over-consumption. The panelists expressed through humor and some frustration their challenges in investigating and enforcing Tide-House violations from unlicensed, unregulated online retailers.

How can it be determined if something of value has been provided to an online retailer? ReserveBar representative Derek Correia listed several processes the algorithm of their platform goes through when a consumer uses their site to identify a nearby retailer that sells a product being sought. It addresses the "something of value" issue as their algorithms filter not only the product requested, but location of the retailer to the customer, the lowest price available, and any continual violations the retailer may not have resolved, before providing a place for the consumer to buy the product. While many online retailers remain compliant to different federal and state trade practices there are many bad actors that violate and get away with unethical practices that make it challenging to uncover and to address. Additionally, regulations that clearly define a violation may be ideal to enforce, however, some regulations remain vague which makes enforcement difficult.

Panelists for this session also included Arielle Albert, Danow, Mcmullan & Panoff, P.C.; Ryan Saxe, Saltzman Mugan Dushoff; and Matthew Botting, California Department of alcoholic Beverage Control.

Automated & Virtual Wait Staff

Addressing the need to fill the void created by tight labor markets and with today's technological capabilities, this panel addressed new business models that are appearing today.

Don McGehee of the Michigan Department of Attorney General kicked off this session by describing automated drink machines, to include wall taps for breweries, wineries and other licensed establishments. McGehee suggested that typically a customer is issued a card that is embedded with a microchip that carries the dollar value the patron has purchased. This dollar value may also correspond with any drink limits the establishment has per state or federal regulations. The card is issued after the patron has shown proper ID, proving that they are of legal drinking age. Several reasons this technology has advanced include the decreased waiting by customers for bartenders and other waitstaff, customers' preference for sampling of products, and the check-in and checkout process being easier for the establishment and the customer.

Thomas Philpot of GrayRobinson, P.A., highlighted various nuances and the laws and regulations concerning virtual bartenders, especially in his home state of Florida. Philpot pointed out that in Oklahoma, constant video monitoring of dispensers is required and there is a provision for retaining the videos for 60 days. Philpot discussed other states as well, pointing out that many of the volume limitations are similar across the country (e.g., 32 oz for beer and 16 oz for wine). Philpot went on to discuss how the Florida legislature affirmed portions of the vending machine petition, while reversing other portions.

David Nelson, partner with Willingham & Cote', P.C., in Michigan, discussed several issues that could arise with self-service alcohol systems. Nelson reviewed various Dram shop statutes applicable should issues arise from negligent services to minors or visibly intoxicated individuals. Best practices were highlighted to prevent such scenarios. While virtual servers are efficient for both retail establishments and their customers, licensed establishments should still train staff on signs of alcohol intoxication, implement certified server training programs, understand procedures for checking fake ID's, and ensure proper protocols before issuing key cards to customers. The panel concluded with the pros and cons of using biometric data and answered questions regarding the types of establishments that could be licensed to have virtual servers/dispensers.

Ethics & Wellness: Avoiding Pitfalls and Maximizing Performance

Speakers Julian Brown, VP of Sales at Innovation Driven, and the father-son duo of Kevin and Harrison Martingayle, of Bischoff Martingayle P.C., and FSU Law School, respectively, addressed the stressors and challenges of legal professionals due to high performance level expectations. The elder Martingayle led the discussion by summarizing a 2017 report produced by a Virginia taskforce that revealed a number of problems attorneys face, including a prominence of mental health problems. A key finding from the report was the need to be proactive in incorporating wellness practices.

Brown expanded the discussion by describing the interactions he has had with people in the sports realm and how they practice wellness, drawing on examples from coaches, players, and sports psychologists. He bridged a comparison between athletes and the legal professionals.

Harrison Martingayle gave his perspective as a student athlete and a current law student, noting the pressures that both law students and student athletes face. He also talked about strategies they use to maximize performance despite those pressures.

The panelists also discussed the stigma of seeking wellness and mental health treatment, and how coaching and professional help can fill gaps to reduce that stigma. Additionally, they addressed developments that a new generation of lawyers and law students are taking to destigmatize the pursuit and maintenance of wellness.

Legal Ramifications of Interstate Marijuana

Panelists for this presentation were Andrew Freeman, Coalition for Cannabis Policy, Education and Regulation (CPEAR) and a Senior Vice President at Forbes Tate Partners; Tyler Klimas, Nevada Cannabis Compliance Board; Bruce Turcott, Washington State Attorney General's office; and Andrew Kline, Perkins Coie.

Turcott led the discussion, explaining some of the residency requirements that states have for license applicants to provide preferential treatment to in-state residents, and how many of these requirements are legally justified due to the current scheduling of cannabis in the U.S. He laid out a few potential changes, including rescheduling of cannabis and federal action, noting how certain state priorities would change if this happened.

Freeman and Kline discussed how the lack of an interstate market has proved troublesome for regulated markets, due to the competition from the illicit market, and how lack of any unified policy or preparation for future legalization and descheduling may cause issues for regulators and states that choose not to legalize cannabis. The panel also discussed how a three-tier system, like that for alcohol, may work to prevent the consolidation and vertical integration of cannabis industry players, and how such an arrangement would need to prevent reciprocity agreements that subvert the system in order to work.

Regulating Low or No Alcoholic Beverages

Michael Newman, a partner in Holland & Knight's San Francisco office teamed up with Courtney Armour, Chief Legal Officer and Corporate Secretary for DISCUS and Marc Sorini, General Counsel of the Brewers Association to discuss one of the fastest growing categories in beverage alcohol, or perhaps it should be called the beverage "no alcohol" category.

Armour provided critical background on federal regulations to offer context and point out that very few states have explicit regulations regarding spirits-based low alcohol beverages. She also emphasized the various ways no/low spirits products can be produced, including distillation, maturation, fermentation, carbonation, and extraction.

Newman furthered the discussion around ABV limits and the fact that several states to include Georgia, Idaho, Kansas, Nebraska, New York, South Carolina, and Tennessee have no ABV floors. He also highlighted the nuances between "non-alcoholic" and "alcohol-free" and the uses of those terms by suppliers.

Sorini emphasized the need for definitional clarity and rules that reflect consumer understanding and touched on the impact of no/low alcohol products on current trade practice regulations. The panel aptly highlighted emerging issues with no/low alcohol "crossover products" to include proper placement of these products away from areas that appeal to children, appropriate merchandising tactics that avoid consumer confusion and additional legal considerations such as labeling litigation, premium pricing, alcohol type, and claims regarding ingredients, marketing and health benefits of these products.

Data Privacy & Cybersecurity

Moderator, Ruth Jordan, Diageo Americas Inc., provided an overview of this session that covered data privacy, cybersecurity and executive liability.

Holly Brady of Hunton, Andrews, Kurth noted that many people use data privacy and cybersecurity as interchangeable terms, however there is a difference. Data privacy is the appropriate use of personal information as defined by laws and regulations and individual expectations. Cybersecurity is the security of data and systems that address confidentiality, integrity and availably. She went on to describe the data privacy landscape covering points that include the current state of living in the information age, the policy issues legislators and regulators are grappling with around the globe in balancing privacy interests with benefits of technology and data use, and that more states are actively considering data privacy laws. She shared a timeline of recent changes in U.S. privacy laws from 2018 – 2023 and listed key activities to be compliant.

Marc Zwillinger of Zwillgen addressed a practical approach to information security that looked at hacking, phishing, credential stuffing, remote code exploitation and other activities that make the internet unsafe. He noted humans are imperfect in that they send emails to the wrong recipient, fail to encrypt or protect sensitive information, click on unfamiliar links and other actions that impact privacy and security. He covered Federal Trade Commission (FTC) and state law requirements with how to treat personal information a company may get from users, where to look for finding out what constitutes reasonable security, and what safeguards should be included in trying to keep data safe.

Stacey Brandenburg, of Zwillgen addressed the FTC standard for individual liability and discussed the allegations against Drizly and its CEO, which experienced a data breach. She offered helpful takeaways that can be followed to keep data secure.

TTB Reporting & Tax Considerations in Buy/Sell Agreements

Moderated by Anne Junia, Powell Junia, P.C., this panel featured the expertise of Brian Wissman of the TTB and Rob Pinson of Adams and Reese. Junia introduced the panel with an outline of two major regions where attorneys advising industry members would have to keep TTB reporting and tax requirements in mind, both before an acquisition when doing due diligence and after when unexpected consequences emerge due to violations or tax noncompliance.

Pinson stressed the importance of diligent observation of the financial hygiene of any potential acquisitions, noting that as a potential pitfall. Junia presented several scenarios with Wissman and Pinson discussing where liabilities would lie and what permitting requirements would have to be filled. Wissman gave an overview of how the TTB sees transfers, outlining the change of proprietorship and change of control designations and their significance in affecting qualifications and the associated timelines. Pinson also provided an explanation of the types of reasonable causes for tax noncompliance (e.g., how COVID-19 has changed the TTB's approach to the emergency).

When the event wraps up on Tuesday, more than 300 attendees, including those watching via webcast, will have participated in a dozen different sessions, all covering subjects that are relevant to the changing landscape of beverage alcohol laws.

NABCA will provide another update relating to coverage of the sessions on day two of the event in the next day's issue of the Daily News Update.

<u>TOP</u>

License State News

TX: What Is a Spirit Cooler and Why Are Liquor Stores Ready To Fight Them?

Dallas Observer By Lauren Drewes Daniels March 14, 2023

Texas law has long regulated access to hard liquor. Grocery and convenience stores can sell only wine and beer. For the good stuff (say, tequila or bourbon), you have to head to a proper liquor store, which are closed on Sundays by the state's <u>blue laws</u>. It seems normal if you've lived here all your life; you just plan around that. And then you visit another state and realize the wanton revelry involved in picking up a bottle of rum with your pimento cheese and crackers *on a Sunday*.

Sen. Kelly Hancock (R-Fort Worth) has introduced a bill that flirts with challenging the state's liquor stores monopoly on the "hard" stuff. The bill would allow "spirit coolers" to be sold along with beer and wine in grocery stores, which are sold seven days a week. Meaning hard liquor would be sold in Texas on a Sunday.

But aren't the grocery stores filled with "spirit coolers" like Truly's and ranch waters already?

Well, no. Truly, White Claw and the like -- even those buckets of Fireball that have recently landed at grocery stores -- are <u>actually made with malt</u> <u>liquor</u>.

This bill would allow ready-to-drink (RTDs) cocktails, or "spirit coolers," like Firestone & Robertson's TX Whiskey <u>cans of whiskey and cola</u>, which are made with real whiskey, to be sold alongside six-packs of Lone Star.

<u>Senate Bill 1288</u> states that a "spirit cooler" is any alcoholic beverage that consists of "alcohol, spirits of wine, whiskey, rum, brandy, gin ... that has an alcoholic content of at least one-half of one percent but not more than 17 percent by volume." There's a companion bill in the house, HB2200.

For reference, a bottle of Jack Daniel's is 40% alcohol by volume. But cans of Crown Royal Whisky and Cola have a 7% ABV.

"As industries innovate and new products become staples in the marketplace, it only makes sense for us to take a look at ways government can reduce regulatory red tape," Sen. Hancock said in a statement. "I look forward to continuing to work on legislation that keeps free market principles at the core of Texas' economic success."

Paul Hardin is the president and CEO of the Texas Food and Fuel Association. He says it makes no sense that consumers can buy malt-based seltzers but not spirit-based canned cocktails with the same alcohol content.

Some social media headlines are referring to this bill as a lift on liquor sales on Sunday, which is a slight misinterpretation. It's only these "spirit coolers" at grocery and convenience stores. Liquor stores will remain closed on Sundays. This is the fluffy-kitten version of lifting the ban on selling liquor on Sundays.

There is a raucous backlash, of course, namely from liquor stores via the <u>Texas Package Stores Association</u>. The group is invoking "what about the children" in their battle cry to keep hard booze in booze stores only. As they see it, children can work in grocery stores, and if someone buys Jack Daniel's Tennesse Honey Lemonade at 7% ABV, with far less alcohol than a bottle of red wine, and that child sees it or maybe passes it over a scanner, that could be very dangerous.

<u>TOP</u>

AR: Sanders adds Ingeborg executive to Alcoholic Beverage Control Board

Arkansas Democrat Gazette

By Michael R. Wickline March 13, 2023

Gov. Sarah Huckabee Sanders will appoint Susan Peacock to the Alcoholic Beverage Control Board, Sanders announced Monday.

Peacock is a vice president at Ingeborg with more than 15 years of experience across federal government and private sectors, the governor's office said in a news release. She also chairs the board of Mercy Health Foundation Northwest Arkansas and sits on the boards of The New School in Fayetteville and Heartland Action.

Peacock's term on the board will expire Jan. 14, 2029, and she will replace Fredrick Black of Lake Village, the governor's office said. Sanders also has appointed board member Alex Blass of Rogers as board chairman to replace Black, who has served as chairman.

Sanders said Peacock's "wealth of experience serving Arkansans and Americans in both the public and private sectors makes her the clear choice to serve our state in this capacity. "Susan is a respected leader who will be an excellent addition to the Board in overseeing safe regulations and permitting while fostering economic development," the Republican governor said.

The other Alcoholic Beverage Control Board members include Pamela DePriest of Morrilton, Jamie Anderson of Scott and Steven Smith of Springdale, according to the board's website.

Alcoholic Beverage Control Division attorney Michael Lewis is currently serving as the agency's interim director. Lewis joined the agency as an attorney specialist in February 2020 and was named as interim director by Sanders on Feb. 24, according to state Department of Finance and Administration spokesman Scott Hardin.

The Alcoholic Beverage Control Division's previous director, Doralee Chandler, resigned effective Feb. 18, after serving in the post since her appointment by former Republican Gov. Asa Hutchinson in 2018. She subsequently started work as deputy attorney general for the state agencies division under Republican Attorney General Tim Griffin.

<u>TOP</u>

NE: Omnibus liquor bill amended, advanced

Unicameral Update

Sen. John Lowe, LB376 LB667 LB596 LB259 LB377 LB452 March 13, 2023

A proposal related to liquor importation in Nebraska was amended to become an omnibus liquor bill and advanced from general file March 13.

<u>LB376</u>, as introduced by Kearney Sen. John Lowe, would create a brand registration for the state Liquor Control Commission to accurately identify and track alcoholic products being imported into Nebraska.

Beginning Jan. 1, 2024, every licensed manufacturer, wholesaler and shipper would be required to pay a registration fee and submit a report to the commission prior to the sale or shipment of any alcoholic liquor into the state.

"This process already exists, but it's not written into statute," Lowe said. "[LB376] takes a commission procedure and codifies it into law."

Lowe introduced an amendment on behalf of the <u>General Affairs</u> <u>Committee</u> to replace the original bill with amended provisions of LB376 and five other bills heard by the committee this session.

Omaha Sen. Machaela Cavanaugh made a motion to consider the various provisions as separate amendments. The motion was successful.

Cavanaugh did not oppose the underlying bill or the amendments, but offered a series of procedural motions to extend debate as part of a strategy to delay the Legislature from taking up other proposals that she said would negatively impact LGBTQ+ Nebraskans.

The amendment containing the original provisions of LB376 was adopted 35-0 and also caps the registration fee at \$30.

Another amendment, adopted 33-0, contained the provisions of LB667, originally introduced by Seward Sen. Jana Hughes. The proposal would authorize alcohol wholesalers to use channel pricing -- a strategy used to determine a product's price based on the retailer's license and business type.

Hughes said the pricing strategy would help wholesalers adapt to new 'hybrid' facilities.

"Our current law was adopted prior to the existence of new hybrid retailers of alcohol where you can have a bar inside the liquor store [and] a customer can have a cocktail in the store while they shop for their favorite beverage," she said. "[The bill] updates the law to allow wholesalers to adapt their pricing in response to these hybrid facilities."

Another component of the divided committee amendment, adopted 34-0, contained provisions of LB596, brought by Sen. Brian Hardin of Gering.

The proposal would permit liquor manufacturers and wholesalers to enter into an advertising or sponsorship agreement with a nonprofit organization, municipal corporation, religious corporation or political subdivision that holds a Special Designated License. Such agreements currently are prohibited under state and federal law, Hardin said, and the amendment would take effect only if a similar measure is passed at the federal level.

The provisions of two other measures introduced by Lowe, LB259 and LB377, also were separately amended into the bill.

The provisions of LB377, adopted 37-0, would allow nonprofits to apply for up to 12 SDLs per calendar year. Current regulations restrict nonprofits to six SDL applications each year.

Under the provisions of LB259, farm wineries could apply for a license to sell beer, mixed drinks and other alcoholic beverages not produced by the farm winery for consumption on their premises. The amendment was adopted 40-0.

Sen. John Cavanaugh of Omaha supported the amendment, saying the update would put farm wineries on "equal footing" with craft breweries and microdistilleries that already are authorized for such licenses.

The divided committee amendment also included provisions of LB452, introduced by Glenvil Sen. Dave Murman. The amendment, adopted 31-0, would allow the holder of a microdistillery license to sell up to 500 gallons of their products directly to licensed retail facilities annually. Following the 40-0 adoption of a Lowe amendment to have the bill take effect immediately upon passage, senators voted 43-0 to advance LB376 to select file.

<u>TOP</u>

OK: Lawmakers debating bill to allow liquor in Oklahoma grocery stores

Oklahoma News 4

By K. Querry-Thompson/KFOR March 13, 2023

OKLAHOMA CITY (KFOR) – Oklahoma lawmakers are considering a bill that would modernize the state's alcohol laws.

Currently, Oklahoma law requires limits on alcohol purchases.

However, a new measure would allow Oklahomans to purchase hard liquor at grocery stores.

House Bill 2354, authored by Rep. Jon Echols, (R-Oklahoma City), would allow grocery stores to sell liquor.

Under the measure, grocery stores would be able to apply for and purchase a grocery retail spirits license. Once they obtain that license, they would then be able to purchase wine or spirits from a wholesaler, and beer from a beer distributor or from a small self-distribution brewer.

Earlier this month, the bill passed out of committee.

If it passes through the Oklahoma House of Representatives and the Oklahoma Senate, it would then go before voters as a state question.

It is similar to <u>State Question 792</u>, which Oklahomans approved in 2016 to allow full-strength beer and wine to be sold in grocery stores.

<u>TOP</u>

KY: Kentucky House passes tax break for bourbon industry A proposed tax break for Kentucky's bourbon makers was fast-tracked in advancing in the House

WSIL TV News 3

By Bruce Schreiner - Associated Press March 14, 2023

FRANKFORT, Ky. (AP) -- A proposed tax break for Kentucky's bourbon makers was fast-tracked Monday in advancing in the state House, but local leaders living near some of the world's best-known distilleries were in no mood to toast the industry victory. The measure aims to phase out a property tax on the value of stored bourbon barrels -- a top industry priority. The phaseout would begin in 2026 and be completed by 2039.

House Bill 5 cleared the House on a 59-40 vote, soon after emerging from committee. With only a few days left in this year's 30-day legislative session, the proposal advances to the Senate, where Republicans also have a supermajority.

The barrel tax -- assessed only in Kentucky -- hurts the state's competitiveness and threatens to chip away at the state's status as the bourbon industry epicenter, the bill's supporters said.

Leaders from some of the top bourbon-producing counties, however, worry that the inventory tax phaseout will take away an important revenue source for local governments.

"We need the money to survive or we're going to have to cut services," Nelson County Judge-Executive Timothy Hutchins told a House committee earlier Monday.

Kentucky produces 95% of the world's bourbon and is home to nearly 10 million barrels of aging spirits, according to the Kentucky Distillers' Association.

The bill's leading supporters include House Speaker David Osborne, who warned that "it is not our right to be home to the bourbon industry."

Several other states have surpassed Kentucky in total number of distilleries, though Kentucky is home to the largest production plants.

"Kentucky taxes alcohol more than any other state in the country," Osborne said.

The barrel tax is a barrier to bourbon production startups in Kentucky, and it's a disincentive to store bourbon in the Bluegrass State, the speaker said. Gradually removing the tax will help "cement ourselves as the bourbon capital of the world," he said.

If the revenue raised from barrel taxes gradually gets smaller, the side effects from distilling operations will remain -- wear and tear on roads and the ,spread of whiskey fungus, local leaders told lawmakers. The fungus is a black mold-like growth that feeds off the "angel's share" -- the distilling industry term for the alcohol that evaporates from the wooden barrels.

In the past, when distillers asked local leaders for approval of their expansions, the producers touted the benefits to local governments from the barrel tax, they said.

"I'm here today asking you to honor our handshake with the bourbon industry," said Josh Ballard, a city council member in Loretto, home of the Maker's Mark distillery.

The phaseout includes efforts to create revenue sources to offset losses for the affected local governments, the bill's supporters said. It includes "hold harmless" provisions for public school districts in bourbon-production counties. City and county governments could assess a license fee on distilleries to offset future revenue reductions.

Those protections weren't enough to satisfy some lawmakers from bourbon-production counties who worried about the potential revenue losses.

"For the very first time in my 21 years here, I will be voting against the distilleries," said Rep. Derrick Graham, the top-ranking Democrat in the House.

<u>TOP</u>

International News

Canada: Alcohol is about to get more expensive in Canada. These organizations are fighting to stop the hike

CTV News

By Pat Foran, CTV News Toronto Consumer Alert Videojournalist March 13, 2023

Canadian residents might notice that their next trip to the liquor store sets them back further than usual.

On April 1, the federal government's annual escalator excise tax will go into effect, raising the price of beer, wine, and spirits by just over six per cent.

While buying a few beers at The Beer Store in Markham, Ont., customer Scott Maple told CTV News Toronto he didn't support the price hike.

"I really hope they don't implement that," Maple told CTV News Toronto. "It just seems so unnecessary at this time."

Some brewers and consumers are hoping the tax can be stopped before it goes into effect.

According to the Canadian Taxpayers Federation (CTF), taxes already make up 50 per cent of the cost of beer, 65 per cent of the cost of wine, and 75 per cent of the cost of spirits.

"Canadians are already paying enough tax, more than enough tax every time you buy a pint of beer," Franco Terrazzano, federal director of CTF, told CTV News Toronto.

The CTF is calling on the federal government to scrap the alcohol tax increase.

Terrazzano noted that the price hike would go into effect the same day that Members of Parliament and Prime Minister Justin Trudeau would get a raise.

"On the very day the carbon and alcohol tax are to go through, Members of Parliament are taking their fourth pay raise since the start of the pandemic," he said. Beer Canada, a lobby group for brewing companies, believes there is still time to stop the alcohol tax increase when the federal budget is tabled on March 28.

"There is an opportunity for the Minister of Finance Chrystia Freeland to do the right thing and recognize that the automatic increase that is in law today, was not meant to be applied in circumstances like these2," CJ Helie, president of Beer Canada, said.

The Federal Conservative leader and leader of the official opposition, Pierre Poilievre, has said that "Conservatives believe this is the worst possible time to raise taxes," stating that "planned tax increases on alcohol should be cancelled."

Even some liberal MPs said they're hearing from their constituents that the tax hike should be stopped, or at least reduced.

Peter Fragiskatos, the Liberal MP for London North Centre, agrees with reducing the alcohol tax.

"I don't believe the tax increase should go ahead and I don't think it should be tied to the rate of inflation," Fragiskatos said.

If the tax does go through some pubs and restaurants say it will impact their bottom line as they continue to try and financially recover from the pandemic. Even if the tax doesn't go through, beer, wine, and liquor prices are still likely to increase due to transportation, energy, and packaging costs. Beer Canada says beer prices could rise another 10 per cent in 2023.

<u>TOP</u>

United Kingdom: The bender pay gap: US women are now binge drinking more than men for first time in history, Biden's alcohol czar reveals

Daily Mail

By Luke Andrews Health Reporter for <u>Dailymail.Com</u> March 13, 2023

American women are now out-binge-drinking men for the first time in history, a top Government doctor has warned.

Dr George Koop, director of the National Institute on <u>Alcohol</u> Abuse and Alcoholism (NIAAA), said the trend had been spotted in college students.

He blamed the 'rebound' on the 'alcohol deprivation effect' during the pandemic, though he is unsure why it has affected women more than men.

Biden's alcohol czar also raised concerns that this year's spring break -which began today and is the first normal season post-Covid -- could be carnage. Dr Koob raised the concerns to the <u>Washington Examiner</u> while talking about the negative health impacts of alcohol.

It comes amid the <u>'blackout rage gallon' (BORG) craze</u>, where youngsters mix water, electrolytes and vodka before drinking the mixture out of gallon jugs.

He said: 'In 2021, there has been an uptick [in binge drinking], particularly among women.

'Now, it turns out on college campuses women are actually binge drinking more than men, for the first time in history.'

Asked to explain the trend, he said: 'It's what we call the alcohol deprivation effect. People tend to really rebound in drinking after a period of not drinking.

'We are a little concerned that this spring and spring break is going to be a return to a good amount of binge drinking.'

He added: 'I just want to caution everyone that when you start hitting the binge drinking level you start doing really bad things to your body.'

For women, binge drinking is when they consume four drinks or more in the same evening. For men, it is five drinks or more.

Women are at higher risk of health problems from alcohol compared to men.

This is linked to their lower weight.

Studies show that after drinking less and over a shorter period, women are at higher risk of heart disease, cancers and other alcohol complications than men.

Their blood alcohol concentrations are also higher after having a drink compared to men.

Dr Koob did not quote any data when he said women were now binge drinking more than men.

It comes as official data suggests that suggests binge drinking has been plummeting across college campuses in recent years.

At the turn of the century, about 38 percent of college women and 48 percent of men reported binge drinking within the past month.

The NIAAA also said in 2015 that about 40 percent of college students were binge drinking once every 30 days.

This has fallen massively since and by 2019, the latest date available, about 11.8 percent of women were binge drinking monthly and 10.4 percent of men.

The drop is thought to be linked to better public health messaging around underage drinking.

It may also be linked to the cost of living, with students having less money available to spend on alcohol.

The Centers for Disease Control and Prevention (CDC) says it is safe for women to drink no more than one standard alcoholic beverage a day and men no more than two.

A standard drink is equivalent to one glass of wine, one shot or one pint of beer.

America's rules are relatively lax compared to its northern neighbor Canada, which warns people not to have more than two drinks a week.

Some experts have blasted these strict guidelines, however, saying that they have not considered the social benefits of drinking.

There are around 4,000 alcohol-linked deaths in the US every year among underage drinkers, including car accidents, homicides and alcohol poisonings.

In a <u>serious case revealed last year</u>, a 19-year-old University of Missouri student was left blind and unable to walk and speak due to alcohol.

Danny Santulli was ordered to down a 1.75-liter bottle of Tito's vodka and was force-fed beer before collapsing during a hazing incident at his fraternity house. He was rushed to hospital but after he stopped breathing his brain suffered serious damage. He is now wheelchair-bound and needs to be cared for by his mother.

Click to view chart.

<u>TOP</u>

Public Health News

New-onset alcohol use disorder spiked in first 3 months of COVID-19 pandemic

<u>Healio</u>

By Kate Burba, Fact Checked by Heather Biele March 14, 2023

Patients diagnosed with COVID-19 during the first 3 months of the pandemic had a twofold higher risk for developing <u>alcohol use disorder</u>, likely driven by anxiety and fear surrounding the pandemic, according to new research.

"Alcohol use disorder (AUD) affects both the individual and society," Veronica R. Olaker, BS, of the Center for Artificial Intelligence in Drug Discovery at Case Western Reserve University School of Medicine, and colleagues wrote in *JAMA Network Open*. "The patient is at risk for disorders of the liver, pancreas, brain, gut, cardiovascular system, immune system and musculoskeletal system. In 2019, the CDC estimated the annual cost of AUD at \$249 billion, including lost workplace productivity, medical care, accidents and criminal justice system costs. For all these reasons, reports of increased AUD diagnoses during the <u>COVID-19 pandemic</u> are particularly concerning."

Risk for new alcohol-use disorder diagnosis among those with COVID- 19:		
HR=		HR=
2.53	HR=	
	1.3	1.8
(January-March	(January-April 2021	
2020)		(April-July 2021)

Data derived from: <u>Olaker VR, et al. JAMA Netw Open.</u> 2023;doi:10.1001/jamanetworkopen.2022.55496.

They added, "As the pandemic social context and SARS-CoV-2 variants evolve, it remains unclear how the risk of a new diagnosis of <u>AUD after</u> <u>SARS-CoV-2 infection</u> varies with time during the pandemic."

In a retrospective cohort study, Olaker and colleagues compared new AUD diagnoses from January 2020 through January 2022 among 1,201,082 patients with COVID-19 (mean age, 46.2 years; 56.9% women; 65.7% white) and 1,620,100 patients with other respiratory infections and no prior COVID-19 infection (mean age, 44.5 years; 60.4% women, 71.1% white). Researchers stratified results by 3-month intervals based on the time of index infection.

Results demonstrated a "significantly increased risk" for a new AUD diagnosis in 2020 among those who contracted COVID-19 from January to

March compared with the control group (HR = 2.53; 95% CI, 1.82-3.51). The risk decreased from April to July (HR = 1.01; 95% CI, 0.79-1.28), August to October (HR = 1.07; 95% CI, 0.85-1.34) and November to January 2021 (HR = 0.96; 95% CI, 0.8-1.15).

In 2021, the risk for AUD diagnosis after COVID-19 infection increased again from January to April (HR = 1.3; 95% CI, 1.08-1.56) and April to July (HR = 1.8; 95% CI, 1.47-2.21), with a subsequent decrease in risk from July to October (HR = 1.17; 95% CI, 0.98-1.4) and November to January 2022 (HR = 1.14; 95% CI, 0.97-1.33).

Researchers also noted a "similar temporal pattern" in new diagnoses of AUD 3 to 6 months following infection with COVID-19 vs. other index events, such as other respiratory infections or fracture.

"Elevated risk for AUD after COVID-19 infection compared with non-COVID-19 respiratory infections during some time frames may suggest an association of SARS-CoV-2 infection with the pandemic-associated increase in AUD," Olaker and colleagues wrote. "However, the lack of excess hazard in most time blocks makes it likely that the circumstances surrounding the pandemic and the fear and anxiety they created also were important factors associated with new diagnoses of AUD.

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Industry News

Producers of Vegan and Sustainable Wines Need to Break the TTB Approval Barrier for Access to Innovative Additives

Wine Industry Advisor

By Advertorial March 13, 2023

American wineries are looking for ways to capture the attention and hearts of younger consumers. One key to success is to speak to these generations' core values. For many wineries, that means making wines that are vegan, non-allergenic, organic, or sustainably made and packaged -- or all of those things. Whichever combination they choose means changing how they grow grapes, make wines, and prepare and market them.

Vineyards spend years revising their farming practices to gain certified organic designations. Winemakers switching to vegan wine must evaluate additives to ensure none were sourced from animals, birds, or fish.

Seeking certification for organic, vegan, or sustainable wines demands viticulturists, winemakers, and bottlers to examine and often measure progress in every step of their process. They must consider water and energy usage, carbon footprint, and packaging alternatives like lighter bottles or flat, stackable cartons. They have to ensure workers are treated fairly in their vineyards and facilities and also at the places from which they source materials. They may study the entire environmental landscape, appraising how their farming and winemaking practices impact the surrounding forests and wildlife.

Winemaking additives are part of that consideration set. Vegan fining additives are from plant-based sources rather than animals, fish, or birds. Also colloidal stabilizers remove the high carbon footprint of cold stabilization. Many look for ideas at European wineries facing the same problems and often ahead in developing alternatives. For example, US winemakers still use animal-based products for wine fining, while the EU stopped using them years ago.

"Our new Italian CEO observed that some technological innovations that are standard in Europe weren't available in the US because of TTB regulations," says sales manager Libby Spencer of Enartis USA's President & CEO, Francesco Bergaglio. "Years ago, the rest of the world replaced animal-based fining agents with plant-based fining agents. Similarly, the rest of the world has a product to manage calcium stability that we can't use. That leaves US winemakers at a competitive disadvantage since imported wines offer US consumers more vegan and allergen-free options."

Spencer explains that because electricity is so expensive in Europe, Enartis offers two products that revolutionized cold stabilization. Their first-generation product, <u>Cellogum LV20</u>, uses carboxymethyl cellulose (CMC) to inhibit potassium bitartrate crystal formation. It significantly reduces energy costs and processing times because the wines don't need to be chilled. Their next-generation version, <u>Zenith</u>, is potassium polyaspartate (KPA). Zenith is a stronger stabilizer, is more filterable than CMC, it does

not react with color, and is less reactive with protein. Both significantly reduce CO_2 emissions, water usage, electricity and labor costs, when added to the wine before bottling.

US winemakers can use first-gen Cellogum for both domestic and export wines. However, despite being on the international market for four years, they can only use next-gen Zenith for domestic wines. The difference in availability between these two products is due to one of the most significant barriers preventing US winemakers from accessing new international winemaking developments -- TTB regulations and an EU-US trade agreement that limits US export wines to TTB-approved additives (27 CFR 24.246) even if those additives are permissible in the EU.

"This matters because, even though America only exports 5% of its wine," Spencer explains, "major wine producers don't want to use products that would prevent them from being able to sell the wine in all channels, including exporting them if an opportunity arises."

Spencer also shared other products of value for vegan and sustainable wines impacted by this availability roadblock:

Plant-based fining -- Elsewhere in the world, winemakers use plant protein from potatoes and peas. In the US, TTB has approved potatoes but not peas, even though they are in many food products. Enartis' **Plantis** product range uses both pea and potato protein. These products are vegan and allergen-free. **Calcium stabilization** -- <u>ENOCRISTAL Ca</u> is micronized calcium tartrate. Enocristal Ca acts as a crystallization nucleus, triggering the formation of calcium tartrate crystals and promotes calcium stability.

"Calcium stabilization is a big problem we're seeing in the industry here and globally," notes Spencer. "In the rest of the world, we have ENOCRISTAL Ca, but we can't get it approved. People call every day looking for this, and I have to tell them, 'We have it, but I can't sell it to you.' I encourage winemakers to contact the TTB to petition this product."

The good news is that the TTB responded to an anti-trust executive order and shifted many products from the "domestic-only" list to the "you-canexport-it" list. The bad news is that it was a one-time change that left many valuable vegan and sustainable winemaking products on the domestic-useonly list. Winemakers who recognize the value of vegan and sustainable wines in attracting the younger generations should be clamoring for the TTB to approve them.

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Forbes

Miller Lite's Campaign to Eradicate Sexist Beer Advertising Proves Successful

By Jeanette Hurt, Contributor March 13, 2023 Miller Lite has had some pretty sexist advertisements over the course of its nearly 50 years of its existence.

So, in honor of Women's History Month, they've committed to not only cleaning up their past, but also turning it into something good in their new campaign, "Bad \$#!T to Good \$#!T," to collect sexist advertisements and turn it into compost to grow hops for women brewers.

Elizabeth Hitch, senior director of marketing for Miller Lite, says the brand's position in the industry gives them a chance to create real change and to turn some "bad \$#!t, old objectifying beer advertising into good \$#!t, literal fertilizer to grow hops that will be donated to female brewers." "We recognize that Miller Lite played a contributing roe in this in the past," she says. "We've been collecting our and other brands outdated, old sexist ads, displays and posters for months. We have been buying and removing any pieces we could find on the internet."

The idea behind this campaign is to recognize that the beer industry as a whole hasn't recognized women or given them the credit they deserve, Hitch says. "We can't change the past, but we can help rectify the damage that was done alienating women from beer. We're on a mission to clean up not only our mistakes but those of the whole beer industry by finding these bad ads and turning them into something that will have a positive impact."

They're inviting consumers to ship them their old, sexist ads, too, and the brand has teamed up with Ilana Glazer, noted comedian and actor, to promote this campaign. To create the good stuff, they're taking the objectifying advertisements, and they're putting them into a large compost pile, which after several months of composting, the compost gets fed to worms, which then create castings (worm poop) that then become a compost fertilizer that will be added to hops crops to help them grow. Right now, they're aiming to grow more than 1,000 pounds of hops.

The hops will then be donated to more than 200 female brewers, who will make about 330,000 beers. To donate the hops, Miller Lite is partnering with the Pink Boots Society so that the hops can be donated to brewers within their network. Miller Lite is also going to donate more than five times the amount it spends in buying back the advertisements to support women in their brewing careers.

"We want to support women to advance their careers through brewing education and to help them put more good \$#!t into the world," Hitch says.

So far, the campaign is resonating with women. "I love this," says @CartML on social media. "It's nice to see a real initiative form a company instead of just performative celebration!" And 2CeruleanTalon1 commented on the <u>commercial</u> announcing the campaign, saying "Best commercial ever! I am now going to buy Miller Beer...which I haven't done in a decade. Go Miller!!!"

"Through our campaign efforts, we're hoping to achieve both measurable impact and feel-good vibes," Hitch says. "While we wanted to take a tongue and cheek approach to acknowledge the past, Miller Lite is also on a larger mission to make the beer industry more inclusive for women."

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Education News

Tulane study: alcohol and marijuana use up by 69% among Black college students

Louisiana Radio Network

By Brooke Thorington March 13, 2023

Simultaneous alcohol and marijuana use among college students is on the rise, that's according to a Tulane University study. Assistant professor of social work Audrey Hai said they examined data from the National Survey on Drug Use and Health of 56,000 full-time college students ages 18 to 25 from 2006 to 2019.

"What was surprising was that when we look at it by race and ethnicity we find this upward trend is only among Black and African-American students and not other students," said Hai.

The use of both alcohol and marijuana among Black college students was 5.50% from 2006 to 2010. It increased by 69.09% to 9.30% from 2015 to 2019.

Hai said the sharp increase between 2018 to 2019 for Black students is likely attributed to the beginning of widespread attention to racism and police brutality. And considering the data was gathered before the pandemic and George Floyd's death...

"If we look at the data from 2019 to now, this phenomenon may be heightened. That's just my suspicion and we are conducting follow-up studies on this," said Hai.

As simultaneous use is on the uptick, especially among Black students, Hai said colleges and universities should focus on awareness and treatment for alcohol and marijuana use.

"Because it puts college students more at risk for a wide range of health, psychological and social consequences like more than marijuana and alcohol alone," said Hai.

The overall increase for simultaneous use among all races and ethnicities of college students from the same time period increased from 8.13% to 8.44%.

To read the entire study <u>click here.</u>

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Daily News

Pregnancy and Motherhood Could Revolutionize Wine if We Let It

Wine Enthusiast

By Emily Saladino March 13, 2023

In *Fleishman is in Trouble*, Taffy Brodesser-Akner's novel-turned-zeitgeisty 2023 television series, the character Libby Epstein compares being a working mother to having two full-time jobs. "It's just math," she says.

For many real-world working parents, the sentiment resonates. A 2020 <u>Gallup</u> poll showed that fathers in heterosexual, dual-income households don't share childcare, cleaning, grocery shopping and other duties equally with their female spouses. And, according to a recent <u>study</u> on motherhood and burnout, "less than a third of [500] parents surveyed believe that caring for kids is evenly split among both parents."

This imbalance plays out in the wine world, too. Mothers who work in wine also have irregular hours and late nights to contend with, not to mention <u>varying sociocultural attitudes toward raising children around alcohol</u>. Plus, anyone who's filled glasses or presented a <u>wine list</u> while visibly <u>pregnant</u> has endured more than their fair share of raised eyebrows and cutting remarks.

But the irony is, pregnant women could be considered some of the wine industry's sharpest analysts and we may be hindering the potential of mothers at all stages. Instead of <u>sidelining or isolating motherhood</u> from the field, we might consider its potential to unlock new ways to understand wine.

Pregnancy and Evaluating Wine

Every person and pregnancy is different, but, as many as <u>two-thirds of</u> <u>women report heightened senses of smell during their pregnancies</u>. That could certainly be seen as an asset in an industry where professionals spend years training their <u>noses</u> and <u>palates</u> to identify and evaluate a <u>wine's aromas</u>, ripeness, alcohol content and balance.

Suzie Kukaj-Curovic, senior director of public relations and corporate communications for <u>Freixenet and Mionetto</u>, one of the largest sparkling wine companies in the country, had her first child in November 2020. The majority of her pregnancy fell during the strictest shutdowns of the early pandemic.

"I found out I was pregnant on the first day of shelter-in-place," she says. Despite the immense challenges of the situation, she describes her professional experience as "incredibly positive" due to her manager's support. When the company eventually rolled out a hybrid return-to-work plan, for example, she was exempt. "Not many people had that luxury at other companies," she says.

From home, Kukaj-Curovic hosted twice-weekly <u>virtual events</u> where she would sniff, taste and spit wines, with tasting groups. During her pregnancy, she noticed significant changes in her sense of smell. "I was picking up all of these really out-of-the-ordinary aromas and tasting notes. I felt like my aroma library expanded," she says. For a communications specialist whose duties include discussing aromas with people who have diverse biographical scent memories to call upon, it was an incredible asset.

Another example, Brenae Royal, who handles winery relations and vineyard ops for <u>Monte Rosso Vineyard</u>, found that each stage of pregnancy impacted her senses differently. During her first trimester, she found wine flavors almost unpleasantly pronounced. By the second trimester, however, her already-expert nose and palate were supercharged.

"My sense of smell was so strong that I swear I could smell the soap used to sanitize the stemware," she says. "Wine became much more nuanced, and I felt like I could smell and taste things that you usually get after the wine has been <u>decanted</u>. I've been loving participating in tastings because wine just opens up in a way it hasn't before for me."

Royal attended trade shows and other wine events while visibly pregnant, and credits <u>other female wine professionals for dissolving stigmas</u> so she could do her job and feel supported. "I feel that most people knew I had the strongest senses in the room," says Royal.

If Kukaj-Curovic had attended any of those same events, she likely would have agreed. "I have friends and colleagues that swear during their pregnancy they were the best tasters, and that their palates evolved," she says.

The Medical Research Gap

Statistically, <u>women have stronger senses of smell than men</u>, explains Andrei Rebarber, M.D., clinical professor at the <u>Icahn School of Medicine at</u> <u>Mount Sinai Hospital</u>, and president of <u>Maternal Fetal Medicine Associates</u>, <u>PLLC</u>. "That becomes especially pronounced during pregnancy when estrogen and cortisol levels are higher," he says. Some believe this is an evolutionary adaptive mechanism, orchestrated by the body to protect the fetus from potentially unsafe foods.

Unfortunately, studies on how pregnancy affects the senses are few and far between. "There's so much gender divide in [medical] research and reimbursement," says Rebarber. By means of example, he explains how insurance companies reimburse procedures to remove warts from male genitalia at higher rates than for the same process on female patients.

He hopes that medical treatment, funding and research will become more equitable as gender parity in the field improves. "More women are going into medical school, and there are going to be more women in leadership positions."

The Future of Mothers in the Wine Industry

Female wine professionals--alongside those from BIPOC, queer and other marginalized communities--are <u>making similar strides to diversify drinks</u> <u>businesses</u>. Still, gender biases persist and affect the ways wine professionals do or don't talk about everything from postpartum recovery to the effects of pregnancy on the sense of smell.

"Because it's a male-dominated industry, a lot of people have this perception that you don't want to raise the idea that, because you're a woman, any female-related issues are impacting your performance or ability at work," says Kukaj-Curovic.

That's not to say the members of wine companies' C-suites have evil intentions. Executives of all genders in many industries adopt a don't-ask, don't-tell attitude toward female healthcare due to the scope and endurance of workplace <u>pregnancy discrimination nationwide</u>. Besides, many of us would prefer to share fewer personal health details with our employers, not more. However, those in positions of power have immense opportunities to change the ways gendered healthcare is viewed and experienced in their workplaces.

Depending on the relationships managers have with their employees, they might celebrate pregnant staffers' heightened senses by encouraging them to write tasting notes or participate in research and development. As with anything related to personal health, context is key. Still, it would be a shame to categorically ignore pregnant wine professionals' supercharged skill set.

Camillya Masunda, founder of <u>Ebony Wine & Spirits</u>, didn't work in wine when she was pregnant, but being a mother is now part of her business. She uses hashtags like #mompreneur in her branding, and her teenage daughter contributes to the company's digital and creative strategy. "Women in wine get underestimated," says Masunda. "Not only are we in the industry and creating varieties and brands and doing everything we can to move things forward, but we're also teaching the next generation."

Every year, members of the industry <u>wring our hands about losing</u> <u>generational market share</u>. Meanwhile, there are so many wine professionals whose potential contributions have barely been permitted to scratch the surface.

Female wine professionals are among many who feel they are sidelined in the industry. Those in positions of power could regard this as a call to action to be more inclusive. What other valuable assets and perspectives do marginalized communities bring to wine? Who benefits when they're amplified, and what issues persist when they're continuously overlooked?

From pregnancy to motherhood and beyond, diversity and inclusivity are keys to building sustainable businesses. This isn't political. It's just math.

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<u>The Collection: An Alcohol Research Summary</u> (formerly Annotated Bibliography) A comprehensive overview of the latest scientific evidence on important topics related to alcohol policy.

Control State Results - June 2022 - September 2022 Control State Results.

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