

Serving South Carolina's Alcohol Beverage Retailers.

The Industry Leader

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House and Senate Look at Non Alcohol Products in Liquor Store

The House Judiciary General Laws subcommittee ran out of time in their discussion of **H.4685**, the bill to allow non-alcoholic products to be sold at retail liquor stores.

Dwight Cauthen, representing the ABC Stores, testified: "**H.4685** alters the core laws that regulate liquor; it blurs the lines." Cauthen reminded the committee that this proponent (Total Wine) got a measure passed last year that allows 96 tastings per year without approval of this panel. Cauthen said, "This bill removes all the regulations that the General Assembly worked hard to put in place." According to Cauthen, liquor store owners don't want minors in liquor stores. He added, "Please don't liberalize tight policies and allow liquor stores to remain liquor stores." Cauthen pointed out that no other retail liquor store in the State had requested law changes.

Oran Smith, Executive Director of the Palmetto Family Council, testified against the bill. According to Smith, "We have an odd coalition here: Palmetto Family Council – a faith-based Christian organization, the Baptist Convention, ABC stores, beer wholesalers and liquor distillers (wholesalers) are all on the same side here. We oppose this bill."

Representative Talley, subcommittee chairman, surprised by the coalition, chuckled, "I'd like to see a group picture of that!"

Representative Crawford spoke against the bill, "Liquor is a legalized drug. We have laws to regulate its sale, possession, delivery and consumption. I don't want to weaken the laws. We go down a perilous path when we begin

to blur the lines."

During discussions, time ran out and the meeting was adjourned. The bill will be carried over to the next meeting.

The Senate Judiciary subcommittee on **S.745**, the companion Senate bill allowing the sale of non-alcoholic products in a retail liquor store also met. Katherine Wells explained the bill, and distributed the amendment that would parallel **H.4865**.

Sen Gregory, subcommittee chairman and sponsor of **S.745**, spoke in favor of the bill saying he believes in the free market system, and believes we have "arcane" laws that regulate alcohol.

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Alcohol Awareness Month

Spring celebrations are here! Promotion of the safe consumption of our products is part of our duty taken on by our retailers. This includes providing our communities the assurance that measures are being taken to only sell alcohol beverages to individuals 21 or older.

Perhaps it is because retailers have done such a good job in preventing sales to minors, and

they are unable to make direct purchases themselves, but reports indicate that teens get their alcohol from "social" sources such as parents, older siblings or other relatives.

The ABC Stores of SC would like to encourage our members to provide information to customers and let them know that you support preventing teen alcohol use and abuse.

Free Resources may be obtained online from

The Century Council at www.dontserveteens.com



We're on the Web

www.abcstoresofsc.com

Email your colleagues the site address

and

encourage them to join today via electronic application and payment services

Do or Die Time... May 1 marks the crossover deadline. Legislation that has not passed either the House or the Senate by this date is unlikely to get approval before the session ends June 5...That doesn't mean bills not scheduled for a vote in one of the chambers are dead. They'll just have a tougher standard to meet. After Thursday, bills passed in one house require a 2/3 vote from the other house before they may be debated. When the session ends, the General Assembly's calendar will be wiped clean, and all bills that did not pass this session would have to be filed again to be considered.

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Sen Anderson asked the panel to carry over the bill because he had received several calls from the local ABC store owners in Greenville. Senator Elliott reminded the committee of the long and arduous debates on minibottle reform and the follow-up study to review the minibottle results. He said, "During over two years of debate, with all facets of the industry at the table, nobody in the industry asked for expansion of liquor store sales. Even in the follow up meetings, Class B's and Class A's, the hospitality and liquor industry, nobody testified that a change was needed." He added, "I believe in the free market system, but we must have limits. I don't agree that it needs to be changed."

The panel agreed to carry over the bill to the next meeting.

Other noteworthy legislation discussed this month...

S.1069 – Sale of Liquor at Liquor Stores on General Election Day: Passed in the Senate. The companion bill, H. 4585, awaits debate in the House.

S.1159– DUI/Keg Registration Clean Up Bill, was approved by Sen Judiciary Subcommittee. Makes technical changes to sections that were deleted by passage of DUI/ keg registration bills last year.

H. 4348—Manufacturers Bill - allows distillers in the state to also be an importer and exporter. Hearing on this bill was last week and has been carried over by Subcommittee.

S. 1048—Sunday Wine Tastings—is up for a third reading in the Senate this week.

S.951—Excise Tax Bill—requires the state to fully fund local alcohol agencies at the same level as funded prior to the abolishment of mini bottles, defines "primarily and substantially engaged in the preparation and service of meals, and requires retailers to report all sales for 2007 and 2008 to bars and restaurants —purchaser, date, quantity by brand and bottle size— has been approved by the Senate and will be taken up in the House this week

Retailers Celebrate 75th Birthday of the Three-Tier System

With the 75th Anniversary of the repeal of Prohibition this April, the American Beverage Licensees (ABL) is not only celebrating the end of this failed experiment, but also the 75th birthday of the Three-Tier System. The effective and efficient system of regulating alcohol beverages sales has helped produce billions of dollars in revenue for the federal government, states and municipalities; allowed state and local governments to adapt laws and policies that best reflect the values of their citizens; and most importantly, introduced millions of consumers of legal drinking age to beer, wine and spirits from different regions of the country and every corner of the world... Despite the evolution and advances in the alcohol beverage industry made over the past 75 years, there are still those who wish to misconstrue the effectiveness of the Three-Tier System. .. "The fact is, the great majority of retailers in this country feel very well served by their distributor friends, both in terms of selection and in terms of the raw dollar value distributors bring to the marketplace," said Wiles. "Wholesalers provide efficiencies and functions that benefit suppliers, retailers and the consumer." (excerpt from ABL news release 4-24-08)

It's about
consumer
choice and
cost
effectiveness

Washington Update from ABL

A rare bipartisan consensus has emerged that the forces that drive free enterprise should also drive how interchange fees get set. HR 5546, the bipartisan **Credit Card Fair Fee Act** stops the price fixing by the credit card industry. As Rep. Chris Cannon (R-UT) noted:

"Free market capitalism is the most successful economic system the world has ever

witnessed. Bedrock principles of that system include transparency and competition. The current system of setting fees that merchants pay for credit card transactions is anticompetitive and secretive. This bill does not set prices. Instead, it would require that fees be set in a transparent manner so other companies can compete for business and consumers would not pay artificially high rates."

There are three basic approaches to fixing the type of antitrust problem presented by Visa and MasterCard:

1) Break them up like the courts did with AT&T; 2) Have a regulator set prices similar to the regulation of a public utility; or 3) Provide a mechanism to balance the market power and ensure a competitive market-based outcome.

The Credit Card Fair Fee Act,

bipartisan legislation introduced by Judiciary Committee Chairman John Conyers (D-MI) and Congressman Chris Cannon (R-UT), takes the third approach and would:

1) Allow Market Negotiations, 2) Have a Fair Way to Decide Disputes and 3) Target the Solution to the Problem.