

**AGENDA
BOARD MEETING
WA STATE LIQUOR CONTROL BOARD
Wednesday, October 28, 2009
Headquarter Building
3000 Pacific Ave, Olympia WA 98504**

10:00 a.m.

Roll Call

- 1. One Time Only Listings.....Debi Besser**
- 2. New Listings / Rejections.....Debi Besser**
- 3. Approval of Board Policy - Energy Drink POS Materials.....**
.....Debi Besser
- 4. Tribal Workgroup Briefing.....Rick Garza,**
.....Alan Rathbun, Pat McLaughlin
- 5. New Employee / Years of Service Recognition.....Division Directors**
- 6. Distribution Center Recognition.....Pat McLaughlin**
- 7. New Business.....Board Members**
- 8. Old Business.....Board Members**

Recess/Adjourn



**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – October 28, 2009**

Board Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board to order at 10:05 a.m., on Wednesday, October 28, 2009 in the Boardroom, 3000 Pacific Avenue SE, Olympia, Washington. Board Member Ruthann Kurose was present.

Potential New Listings and Rejections – Debi Besser, Director of Purchasing

Debi made recommendations as explained in the October 28, 2009 memo (see attachment). The Board members unanimously approved the recommendations.

Potential One Time Only Listings (OTO) – Steve Burnell, Marketing Manager

Steve made recommendations as explained in the October 28, 2009 memo (see attachment). The Board members unanimously approved the recommendations.

Potential Wine/Beer Listings and Size Extensions – Steve Burnell, Marketing Manager

Steve made recommendations as explained in the October 28, 2009 memo (see attachment). The Board members unanimously approved the recommendations.

Prohibition of Energy Drinks in POS Materials Policy 099-2009 – Debi Besser

The popularity of consuming energy drink has increased in recent years. Scientific studies have shown the dangerous effects of mixing alcohol with energy drinks as the consumer doesn't feel the effects of alcohol when consuming in this manner. Consensus in the scientific community has shown the combination to be dangerous and posing a serious health risk. Students who drank alcohol mixed with energy drinks were more than twice as likely to be involved in dangerous behavior.

This policy will disallow marketing point of sale (POS) materials referencing the use of energy drinks with alcohol are not allowed to be displayed in WSLCB state stores or contract stores. This includes references to a generic "energy drink" or any name brand of energy drink. The suppliers and brokers are responsible to ensure their compliance with this policy 35 days from implementation of this policy (see attachment).

Tribal Workgroup Briefing – Rick Garza, Alan Rathbun, Pat McLaughlin

LCB should create a Government-to-Government Consultation Policy - This document serves as the framework describing how the LCB and Tribes will communicate with each other to collaborate on liquor-related issues in accordance with the Centennial Accord and the New Millennium Agreement. An LCB Government-to-Government Consultation Board Policy has been designed.

The LCB should develop an alternative liquor licensing model to address the unique needs of the Tribes - The current master business licensing process is cumbersome for tribes and does not address federal law exemptions from most state licensing and registration requirements. A Licensing Memorandum of Agreement (MOA) Template has been drafted.

The LCB should create a liquor store notification process - The current liquor store siting process did not include a step to notify Tribes of potential new stores and thus allow them time to respond with any interest, or concerns, for a tribal store. Part of the challenge has been the difficulty for the LCB to know where all the tribal land is located. A formal store siting policy has been drafted outlining how store locations are selected based on market

areas. The LCB is working with Tribes and the Governor's Office of Indian Affairs to identify tribal trust land and reservation land, current and any changes, to help with store siting issues.

The LCB has access to state maps which indicate Tribal reservation boundaries but the maps do not include other trust lands. The individual Tribes and Bureau of Indian Affairs have the knowledge of trust land owned and can help verify locations to assist the LCB with store siting and other similar communication. The LCB will work to find current maps noting Indian trust land to help with notification of pending stores and maintain a record of Tribal Areas of Interest (identified by zip code) where tribes have potential interest in future liquor store operations.

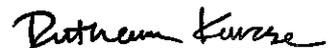
New Employee Recognition – Division Directors

New employees and employees receiving years of service awards were recognized.

The Board Meeting was adjourned at 11:40 AM.



Sharon Foster
Board Chair



Ruthann Kurose
Board Member

WASHINGTON STATE LIQUOR CONTROL BOARD
INTEROFFICE CORRESPONDENCE

Date: October 28, 2009

To: Chairman Sharon Foster
Board Member Ruthann Kurose

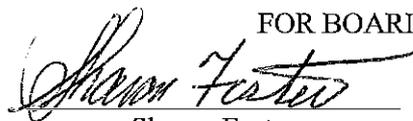
From: Debi Besser, C.P.M., Director of Purchasing

Subject: POTENTIAL NEW LISTINGS AND REJECTIONS

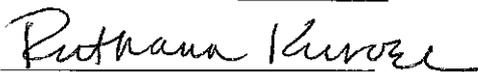
In accordance with the criteria set forth in Agency Policy #915 Listing and Delisting Liquor Products, I recommend that the Board approve the following actions.

<u>Description</u>	<u>Recommendations</u>
Bakon Vodka, 750 ml (\$29.45)	List
Effen Vodka, 750 ml (\$29.95)	List
Firefly Peach Sweet Tea Vodka, 750 ml (\$22.95)	List
Firefly Raspberry Sweet Tea Vodka, 750 ml (\$22.95)	List
Firefly Lemon Sweet Tea Vodka, 750 ml (\$22.95)	List
Knappogue Castle Single Malt Irish Whiskey, 750 ml (\$37.95)	List
Koenig Huckleberry Flavored Vodka, 750 ml (\$19.95)	List
Captain Morgan Lime Bite Rum, 750 ml (\$22.95)	List
Captain Morgan Parrot Bay Coconut 90 Proof Rum, 750 ml (\$21.95)	List
Novo Organic Silver Cachaca Rum, 750 ml (\$29.95)	List
Master of Mixes Strawberry Daiquiri, 1.75 liter (\$6.29)	List
Master of Mixes Margarita Daiquiri, 1.75 liter (\$6.29)	List
La Fee Absinthe Liqueur, 750 ml (\$59.95)	Reject
Organic Nation Gin, 750 ml (\$35.40)	Reject
Organic Nation Vodka, 750 ml (\$33.60)	Reject
Firefly Mint Sweet Tea Vodka, 750 ml (\$22.95)	Reject
Boca Loca Cachaca Rum, 750 ml (\$24.95)	Reject
Vincent Van Gogh Caramel Flavored Vodka, 750 ml (\$22.80)	Reject
Novo Organic Gold Cachaca Rum, 750 ml (\$34.95)	Reject
El Diamante Del Cielo Anejo Tequila, 750 ml (\$59.45)	Reject
El Diamante Del Cielo Reposado Tequila, 750 ml (\$54.40)	Reject
El Diamante Del Cielo Blanco Tequila, 750 ml (\$48.55)	Reject

FOR BOARD CONCURRENCE: 10/28/09 DATE



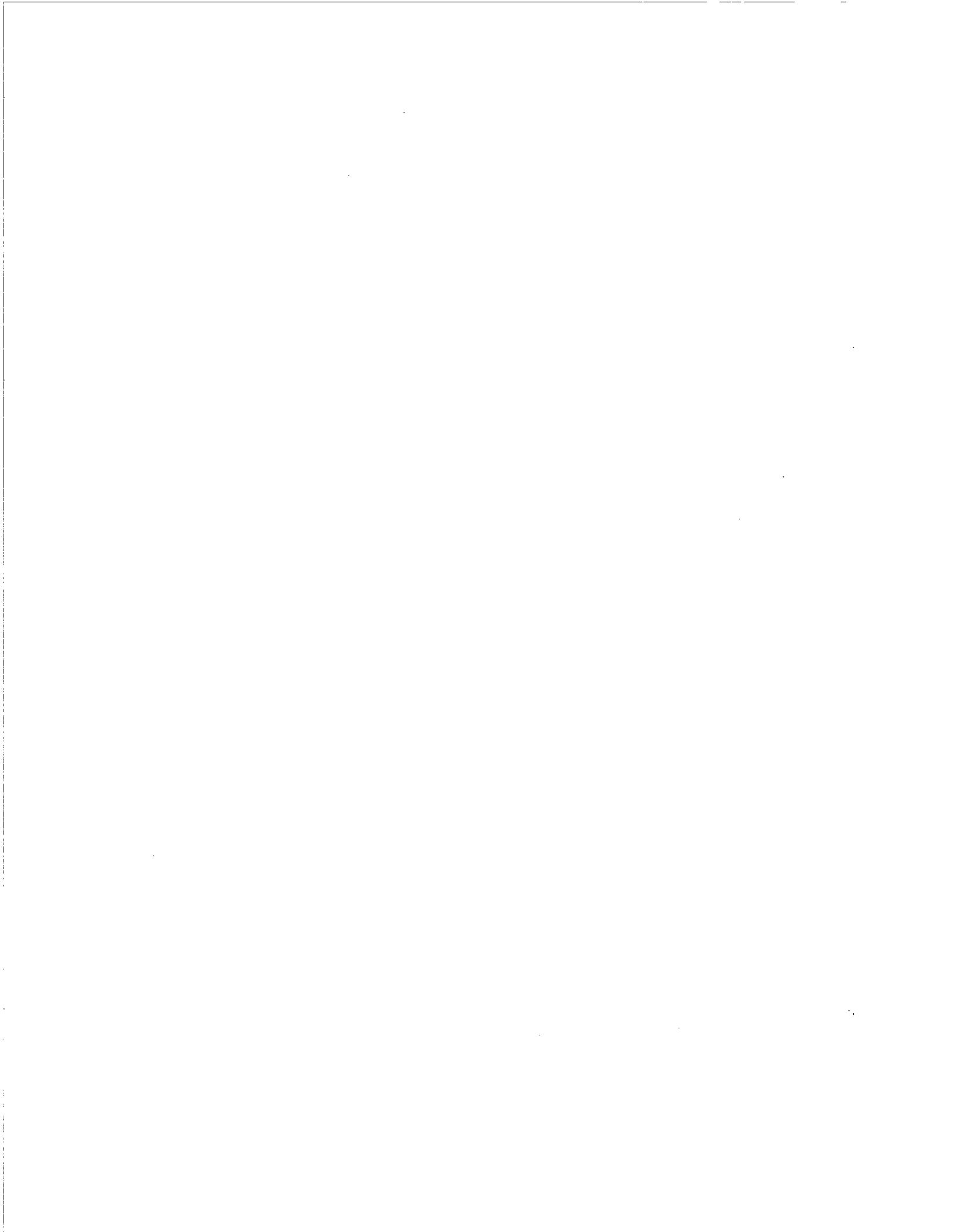
Sharon Foster
Chairman



Ruthann Kurose
Board Member

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cc: Pat Kohler
Pat McLaughlin
John Redal
Randy Simmons
Steve Burnell
Meagan Renick
Kelly Higbee
Cindy Doughty
Robin Hall
Kim Ward
Casey Walker
Lacinda Thomas
Frances Munez-Carter
Shayna Burmeister



**WASHINGTON STATE LIQUOR CONTROL BOARD
INTEROFFICE CORRESPONDENCE**

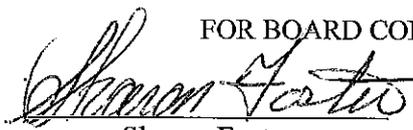
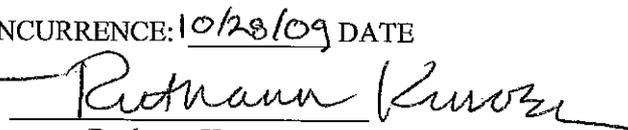
Date: October 28, 2009
To: Chairman Sharon Foster
Board Member Ruthann Kurose
From: Debi Besser, C.P.M., Director of Purchasing
Subject: POTENTIAL ONE-TIME-ONLY LISTINGS

The suppliers of the following items are requesting One-Time-Only (OTO) listings.

<u>Product Description</u>	<u>Retail Price</u>	<u>Cases</u>
Laphroaig 18 Year Scotch, 750 ml	\$84.95	20 cases
Highland Park 15 Year Single Malt Scotch, 750 ml	\$71.95	20 cases
Highland Park 12 Year Single Malt Scotch, 750 ml	\$47.95	50 cases

I recommend that the Board approve these one-time-only listings.

FOR BOARD CONCURRENCE: 10/28/09 DATE

Sharon Foster Ruthann Kurose
Chairman Board Member

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cc: Pat Kohler
Pat McLaughlin
John Redal
Debi Besser
Randy Simmons
Meagan Renick
Kelly Higbee
Cindy Doughty
Robin Hall
Kim Ward
Casey Walker
Lacinda Thomas
Frances Munez-Carter
Shayna Burmeister



**WASHINGTON STATE LIQUOR CONTROL BOARD
INTEROFFICE CORRESPONDENCE**

Date: October 28, 2009
 To: Chairman Sharon Foster
 Board Member Ruthann Kurose
 From: Steve Burnell, Marketing Manager
 Subject: POTENTIAL WINE/BEER LISTINGS

From blind tastings, the following selections and recommendations were made by the Committee and the Purchasing Division. I recommend the Board approve the following listing actions.

Wine	Region	Vntg	Retail	Recommendation
Sterling Vintners Collection Chardonnay	CA	2008	\$8.99	Regular Listing

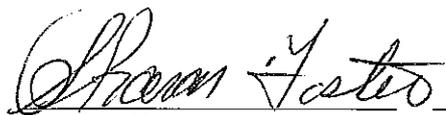
The following wines are offered as a One-Time-Only purchase. The Purchasing Division and I recommend the Board approve the following *One-Time-Only listings*.

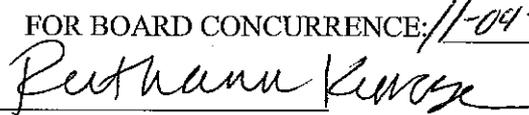
Wine	Region	Vntg	Retail	Number of Cases
Joseph Drouhin Beaujolais Nouveau	France	2009	\$11.89	TBD
Georges Duboeuf Beaujolais Nouveau	France	2009	\$9.99	TBD
Deschutes Jubelale Craft Beer	Oregon	NV	\$7.98	168 Cases

The following wines are offered in limited quantities for the wine specialty stores. The Purchasing Division and I recommend the Board approve the following *U-code listings*.

Wine	Region	Vntg	Retail	Number of Cases
The "Keeper" Cabernet Franc	WA	2007	\$16.99	14 Cases
Fonseca Bin 27 Port	Portugal	NV	\$16.99	28 Cases
Coppola Sofia Blanc Sparkling 4/pk	CA	NV	\$13.96	28 Cases
Ch Ste Michelle Artist Series Meritage	WA	2005	\$44.99	14 Cases
Pacific Rim Framboise in Box , 375 ml	WA	NV	\$13.99	28 Cases
Pacific Rim Vin de Glaciere Riesling in Box, 375 ml	WA	NV	\$13.99	28 Cases

FOR BOARD CONCURRENCE: 11-04-09 DATE


 Sharon Foster
 Chairman


 Ruthann Kurose
 Board Member

- cc: Pat Kohler
 Pat McLaughlin
 Debi Besser
 John Redal
 Randy Simmons
 Meagan Renick
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WASHINGTON STATE LIQUOR CONTROL BOARD

INTEROFFICE CORRESPONDENCE

October 28, 2009

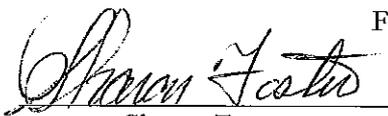
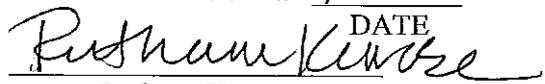
To: Chairman Sharon Foster
Board Member Ruthann Kurose

From: Steve Burnell, Marketing Manager

Subject: POTENTIAL SIZE EXTENSIONS

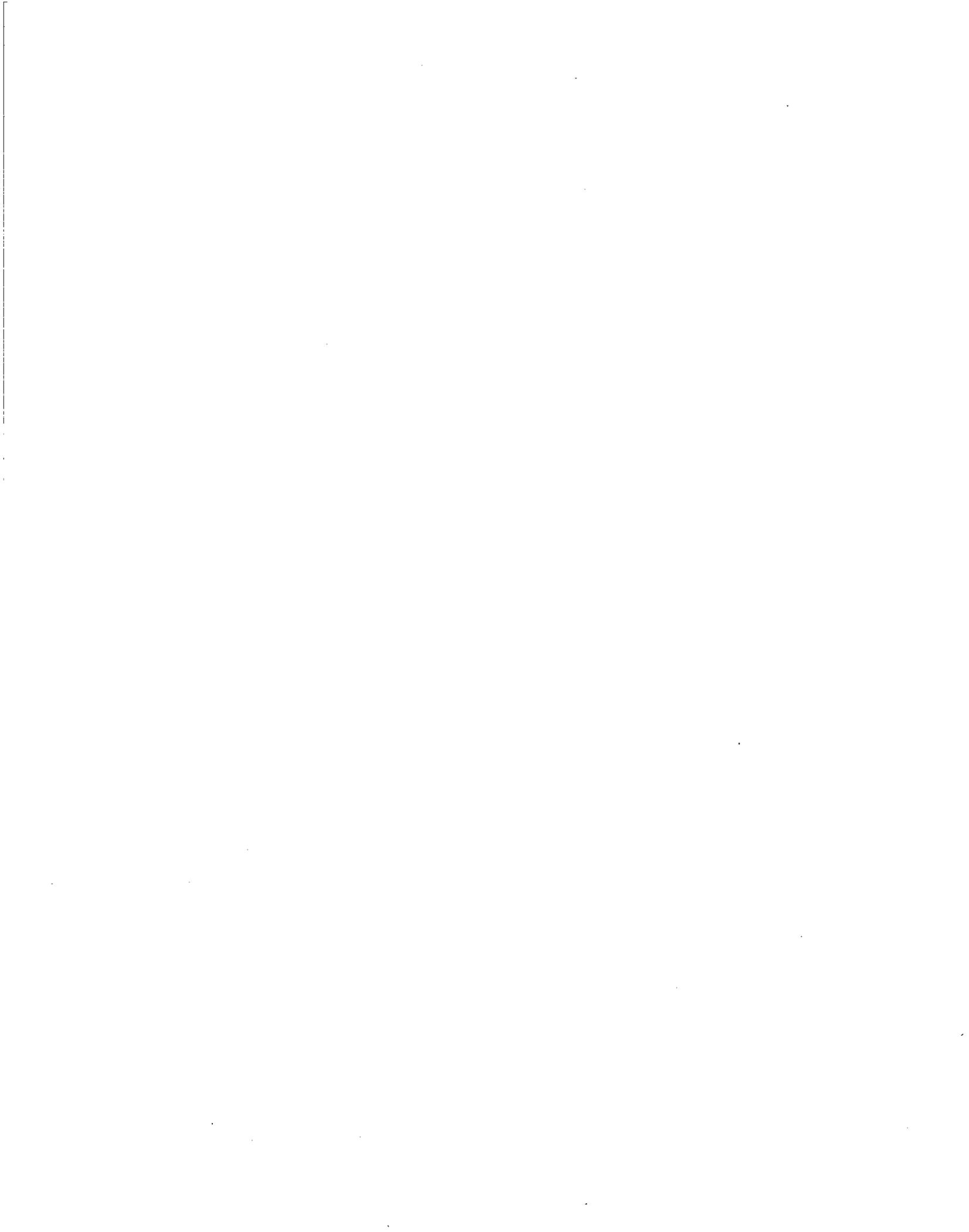
In accordance with the criteria set forth in Agency Policy #915 Listing and Delisting Liquor Products. I recommend that the Board approve listing the following size extensions.

Requested Size Extensions	Size	Retail Price	Current Average Monthly Case Sales of the 750 ml Size	Current Monthly Gross Profit	Rank in Category
Christian Brothers Brandy Traveler	750 liter PET	\$15.25	755	\$38,035	#1
Evans Williams Black Label Bourbon Traveler	750 ml PET	\$14.45	873	\$41,756	#4

FOR BOARD APPROVAL: 11-4-09
DATE
 
Sharon Foster
Chairman
Ruthann Kurose
Board Member

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cc: Pat Kohler
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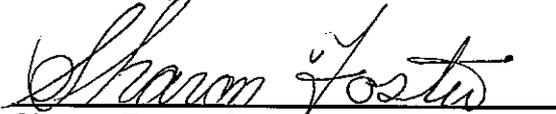
**Washington State
Liquor Control Board**

Liquor Control Board Policy #09 - 2009

Subject: Prohibition of References to Energy Drinks in Point-of-Sale Materials

Effective Date: October 28, 2009

Approved:


Sharon Foster, Board Chairman


Ruthann Kurose, Board Member

Background

The practice of consuming alcohol with energy drinks has become popular in recent years. However, there are an increasing number of scientific studies that have shown the dangerous effects of mixing alcohol with energy drinks. While alcohol is a depressant, energy drinks are stimulants. The net effect is that the consumer doesn't feel the effects of the alcohol, yet is just as impaired as they would be had they just consumed the alcohol without the energy drink.

There is an emerging consensus among scientists and medical professionals that this combination of energy drinks and alcohol is not safe, and poses a potentially serious public health risk. One of the leading studies, from the Wake Forest University School of Medicine, found that "students who consumed alcohol mixed with energy drinks were twice as likely to be hurt or injured, twice as likely to require medical attention, and twice as likely to ride with an intoxicated driver, as were students who did not consume alcohol mixed with energy drinks. Students who drank alcohol mixed with energy drinks were more than twice as likely to take advantage of someone else sexually, and almost twice as likely to be taken advantage of sexually."

Purpose Statement

Like the medical and prevention community, the Board is very concerned about the potential public safety effects of this growing trend of combining energy drinks with alcohol. The purpose of Liquor Control Board Policy #09 – 2009 is ensure that the Washington State Liquor Control Board (WSLCB) retail stores do not contain any marketing or point-of-sale material that suggests or recommends the use of energy drinks with alcoholic beverages.

10/22/09 (djb)

Policy Statement

Marketing/Point-of Sale (POS) materials - including, but not limited to bottle labels, back-cards, bottle neckers, shelf talkers, posters, displays, unique displays, price signs, recipe cards, and rebates – referencing the use of energy drinks with alcohol are not allowed to be displayed in WSLCB state stores or contract stores. This includes references to a generic “energy drink”, or any name brand of energy drink.

Energy drinks are generally defined as any substance designed or marketed to boost the drinker's energy, usually with artificially increased levels of caffeine. Other commonly used ingredients include guarana, taurine, ginseng, maltodextrin, inositol, carnitine, creatine, glucuronolactone and ginkgo. Beverages with lower levels of caffeine, such as coffee or soda are not included in this definition of energy drinks.

Supplier and broker representatives will be responsible to ensure that their POS materials are in compliance with this policy.

Any POS materials with references to energy drinks found in the stores will be removed immediately, and the supplier and broker (if applicable) will be notified. Any supplier with more than one violation of this policy within one year may have their ability to qualify for product displays revoked for up to 6 months.

Policy Implementation

Effective 35 days from the implementation of this policy, all suppliers and brokers need to ensure that all POS materials with references to energy drinks have been removed from WSLCB stores, and that no new POS materials with references to energy drinks are placed in WSLCB stores.

The prohibition of energy drink references will be added to the criteria for approval of POS material.

Any products with references to energy drinks on the product label will not be given listing consideration.