

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting /July 9, 2008**

Board Chairman Lorraine Lee called the regular meeting of the Washington State Liquor Control Board to order at 10:05 am, on Wednesday, July 9, 2008 in the boardroom, 3000 Pacific Avenue S.E., Olympia, Washington. Board Member Roger Hoen and Board Member Ruthann Kurose were present.

Meeting Minutes – The Board unanimously approved the minutes from the meeting held May 28, 2008 and June 18, 2008.

Purchasing Services Division –

- **Potential New Listings and Rejections** (memo dated July 9, 2008)
- **Potential Size Extension** (memo dated July 9, 2008)
- **Potential Delistings** (memo dated July 9, 2008). Board Member Roger Hoen noted the list included a local product and asked if we give extra consideration to local products. Debi Besser said yes, but the sales on the noted product were very low.
- **Potential One-Time-Only** (memo dated July 9, 2008)
- **2008 Spooky Spirit Promotion Potential One-Time-Only Listings** (memo dated July 9, 2008). Administrative Director Pat Kohler pointed out that the Board had sometimes received criticism for themed names on alcohol. Debi stated that all the displays in our stores will reflect our mission.

Debi Besser, Director of Purchasing, made recommendations as explained in the attached memos. The Board members unanimously approved Ms. Besser's recommendations.

Director's Office – A public hearing opened for comment on the proposed rules for Emergency Suspensions (chapter 314-29 new sections), Transportation of Liquor through the State (chapter 314-48 WAC), and Requirements for the Hotel Liquor License (chapter 314-02 WAC).

- **Emergency Suspension of a Liquor License** – Pamela Madson, Rules Coordinator, gave a brief review of the recommended language. There was no public comment.
- **Transportation of Liquor through the State** – Debi Besser, Purchasing Director, summarized the proposed change. There was no public comment.
- **Hotel Liquor License** – Alan Rathbun, Licensing Director, summarized the comments received to date. Two comments were received, one from staff regarding the definition of "adjacent." A comment also came from an industry source. He spoke of the intent regarding restaurants with special privileges as opposed to a hotel license and recommended that the Board issue an interpretive statement to clarify the issue. Jan Simon Aridj, President and CEO of the Washington State Hotel & Lodging Association (WSHLA) and Jeff Fox of Hilton Hotels and WSHLA spoke together. They commended the work of the Liquor Control Board staff on this and requested consideration on three matters. First, they requested that the Board expand the definition of "adjacent" to include facilities that are diagonally adjacent and share a right of way. Second, they asked that spirits be included in the list of complimentary beverages in a room. Finally, they would like a reconsideration of food and beverage requirements. Many hotels arrange with an adjacent restaurant for food and beverage service instead of

maintaining their own facilities. This is especially true of hotels with 100-125 rooms. Ms. Aridj provided a letter detailing these requests. Mr. Fox provided documentation that a new development in hotels showing that the front desk area also serves as a bar. The Board accepted the documents and thanked them for their comments. Chairman Lee indicated they would consider them.

- The deadline for written comments on these rules is July 16, 2008.

Pam Madson, WSLCB Rules Coordinator, requested to proceed with CR101 filing pre-proposal rule making on the following subjects. Issue papers are attached:

- **Retail Regulation** – Licensing Director Alan Rathbun presented the issue paper. He introduced Karen Rogers, the new Rules Coordinator, who will present in the future.
- **Non-profits** – presented by Alan Rathbun
- **Brewery and microbrewery regulation** – presented by Jennifer Skoda, Non-Retail Captain
- **Winery regulation** – presented by Captain Jennifer Skoda
- **Craft distilleries** – presented by Captain Jennifer Skoda
- The end of the comment period for these matters is September 5, 2008.

Board Member Roger Hoen moved to approve, Ruthann Kurose seconded. The motion passed unanimously.

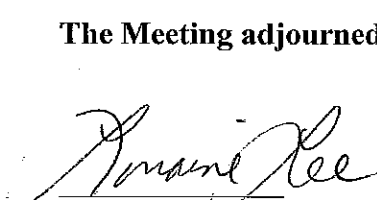
Pam Madson, WSLCB Rules Coordinator, requested to proceed with CR102 filing of proposed rules for the following matters:

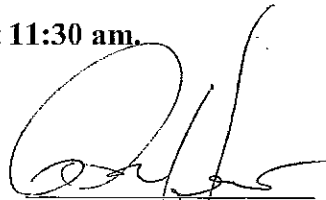
- **Special Orders** – Purchasing Director Debi Besser covered the points in the attached issue paper. Chairman Lee asked if we should list military and tribal stores, and Debi will look at that. Debi also noted that we cannot list some products due to public safety. There was a brief discussion of what some of these products are, including pocket shots.
- **Supplemental sampling of cigarettes and repealing the rule on official forms of ID for purchasing tobacco** – Captain Tim Thompson, Tobacco Tax Program Manager, described the changes proposed per the attached issue paper. The CR 102 is being re-filed to accommodate the sampling rules. He noted that tobacco sampling is usually done in areas without youth access, such as bars and taverns.
- The date for the Public Hearing for these issues is tentatively set for August 27, 2008.

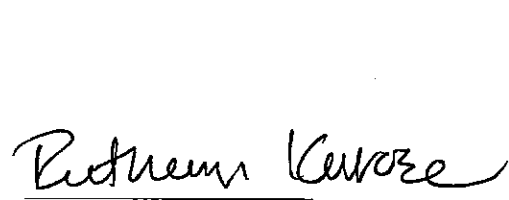
Board Member Roger Hoen moved to approve, Ruthann Kurose seconded. The motion passed unanimously.

The meeting was audio-taped.

The Meeting adjourned at 11:30 am.


Lorraine Lee
Chairman


Roger Hoen
Board Member


Ruthann Kurose
Board Member