

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting /September 3, 2008**

Board Chairman Lorraine Lee called the regular meeting of the Washington State Liquor Control Board to order at 10:05 am, on Wednesday, September 3, 2008 in the boardroom, 3000 Pacific Avenue S.E., Olympia, Washington. Board Member Roger Hoen was present and Board Member Ruthann Kurose was absent.

Meeting Minutes – The Board unanimously approved the minutes from the meeting on August 13, 2008.

Purchasing Services Division –

- **Potential New Listings/Rejections** (memo dated 8/26/08)

Debi Besser, Director of Purchasing, made recommendations as explained in the attached memos. The absinthe listed for potential approval is the brand originally outlawed. Chairman Lee noted that a recent presentation by the company included a social responsibility component. The Board members unanimously approved Ms. Besser's recommendations.

Director's Office – Special Projects Manager Mona Moberg presented the work to date on the Key Factors and Impact Measures Workgroup. Attached are a summary paper and the presentation slides. Included in the presentation was a draft of the Key Factors and Impacts Measures, a grid in development to aid in determining how a policy or regulation decision might have an effect on LCB's identified Key Factors and Impacts. With it is a Detail sheet on the evaluation factors. Mona noted that this Measures Tool is a work in progress, but we are hoping to finalize it soon.

Katie Jacoy, Wine Institute, expressed concern about how the issues of price and public safety would be used. Board Member Roger Hoen explained that we are working to decide if price levels will have a negative effect on public safety. Chairman Lorraine Lee and Deputy Administrative Director Rick Garza added that we may not be able to measure the effects of price and are not saying we know what would happen. For example, allowing a quantity discount may lower the price or raise the profit, or be a blend of both. Ms. Jacoy replied that her concern was that if intuitive thought was applied to how price would affect things, we might then get stuck with an incorrect decision.

Jean Leonard, Washington Wine Institute, raised concerns about using social acceptance of consumption as one of the measurement tools. Chairman Lee stated that it was identified but, as a concept, it was too nebulous to include in the Measures Tool. Michael Transue, Washington Restaurant Association, asked if the Regulatory Action (Education and Training) section should also include Enforcement in the subtitle. There was general agreement on this, so that will be included in the next draft.

Board Member Roger Hoen gave an example of a decision which might have been made differently if the Measures Tool were available at the time: when the Board decided to

allow higher alcohol content in beer sold in supermarkets, the original thought was for the high end craft beers from Europe. The unintended consequence became the higher alcohol content of cheap beer creating a problem in some less affluent sections of cities.

There was a general discussion of some of the examples on the Measures grid sheet. Chairman Lee suggested this as a starting point for future discussions. Some suggestions for different examples were off-premise wine sales, restaurant keg sales, and off-site storage. The Board Members and those present agreed that another meeting would be helpful and that we would get a notice out to the public meeting list, including a summary of today's discussion and the associated documents. The goal is to have comment from a wider group of stakeholders to refine the Measures Tool.

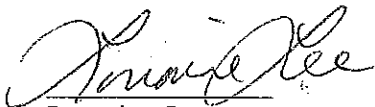
Executive Assistant PK Dan will assemble the documents and send them out. Mona Moberg will be the point of contact. The goal is to complete the development of the Measures as quickly as possible. Deputy Director Rick Garza suggested that, if everyone can agree on the form of the Tool, the Board may be able to use it for evaluating exceptions rather than having these go through the legislature.

Written comment will be accepted until the close of business September 19, 2008.

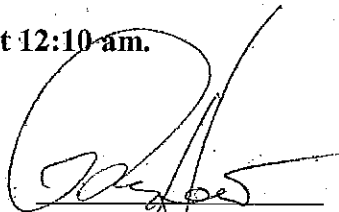
The Board Members took a recess at 11:20 am

Executive Session – The Board members reconvened at 11:30 am and went into Executive Session.

The Meeting adjourned at 12:10 am.



Lorraine Lee
Chairman



Roger Hoan
Board Member

Ruthann Kurose
Board Member