



WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – June 27, 2012

Board Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m., on Wednesday, June 27, 2012 in the Boardroom at 3000 Pacific Avenue S.E. in Olympia, Washington. Board Members Ruthann Kurose and Chris Marr were present.

Approval of Minutes

Minutes from the May 30, 2012 meeting were approved.

Swearing In of Deputy Chief Steven Johnson

Chief of Enforcement Justin Nordhorn conducted the swearing in of Deputy Chief Steven Johnson, who joined the WSLCB on June 16, 2012. Deputy Chief Johnson has almost thirty years of service with the State of Washington. Chair Foster and Members Kurose and Marr welcomed the Deputy Chief to the agency.

Board Approval to File CR 102 for Compliance Checks

Agency Rules Coordinator Karen McCall presented the Board with a CR 102 for compliance checks. If approved, this rulemaking will ultimately add a new section to Chapter 314 WAC for compliance checks. Karen noted that the hearing for this rulemaking is scheduled for August 8, 2012, and pending adoption on August 15th, the rules will go into effect September 15, 2012. Board Member Kurose made a motion to approve. Member Marr seconded. All were in favor.

Public Hearing on Rulemaking to Implement I-1183 (Revisions to Current WACs)

Karen McCall initiated the public hearing on rulemaking to implement I-1183, commenting that the hearing was in regard to revisions to current WACs, specifically 15 chapters in WAC 314. Two stakeholders provided testimony:

- **Cindy Zehnder, Total Wine and More:** Cindy requested that the Board withdraw their proposal to repeal subsection 3d of WAC 314-52-110. This language allows a licensee to sell spirits, beer, or wine below acquisition cost in an endeavor to meet the price of a competitor selling the same product in the same locality or trade area and in the ordinary channels of trade. Cindy argued that retailers' ability to match competitor pricing was important, especially as they attempt to establish themselves in the new marketplace.
- **Jan Gee, President of Washington Food Industry Association:** Jan echoed Cindy Zehnder's comments regarding pricing below acquisition cost. Jan requested that the Board withdraw their proposal to repeal subsection 3d, noting that they should give the marketplace one year before considering edits to or repeal of the language.

Karen noted that she would bring these rules back to the Board at their July 18, 2012 meeting for adoption.

New Business

There was no new business.



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Old Business:

There was no old business.

The Board Meeting was adjourned at 10:29 a.m.

Handwritten signature of Sharon Foster in cursive.

Sharon Foster,
Board Chair

Handwritten signature of Ruthann Kurose in cursive.

Ruthann Kurose,
Board Member

Handwritten signature of Chris Marr in cursive.

Chris Marr,
Board Member