

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting /August 2, 2006**

The regular meeting of the Washington State Liquor Control Board was called to order at 10:00 a.m., on Wednesday, August 2, 2006 in the Board conference room, 3000 Pacific Avenue S.E., Olympia, Washington, by Chairman Merritt D. Long. Board Member Roger Hoen and Vera Ing were present. Tony Kim, Administrative Assistant to the Board summarized the minutes.

Licensing and Enforcement Division—Darkened House (Sports/Entertainment License); Rex Prout, Assistant Chief; Karen McCall, Licensing Manager

The Enforcement and Education Division, with the concurrence of the Licensing Division, recommended holders of the Sports/Entertainment License be authorized to allow consumption of alcohol within the darkened seating portions of the venue during entertainment activities. This recommendation is subject to the following provisions:

- The Board approves darkened house events only after notification to the local authority as identified to the Licensing Division and approval by the designated local authority. The notification will clearly state:
 - Primary responsibility for the control of the darkened area of the establishment will rest with the licensee and local law enforcement authorities.
 - The Board will not entertain contradictory recommendations from subdivisions of the local jurisdictions.
- Liquor Enforcement Officers will only be required to work within the areas of the venue where there is an environment to safely support enforcement activities.
- Permission for darkened house activities will be in the form of a standard addendum attached to the existing operating plan.
- Violation of the darkened house addendum to the operating plan will be viewed as an aggravating factor to a violation rather than a primary enforcement issue.
- Licensing and Enforcement will coordinate to create:
 - A specific notification to local authorities.
 - An operating plan addendum.
 - Instructions for licensees to apply for the privilege.

- Enforcement headquarters will create written guidelines for all enforcement staff in regard to this change.

If approved, Enforcement and Licensing will coordinate for expeditious implementation of this recommendation.

Board Member Ing moved for approval. Board Member Hoen seconded the motion, and it was passed unanimously.

Policy, Legislative and Media Relations Division– Approval of Proposed Rule Making (CR 102) Implementing Direct Shipment of Wine to Washington Consumers by U.S. Wineries and Allowing U.S. Beer and Wine Manufacturers to Self-distribute Their Products to Licensed Washington Retailers; Pam Madson, Rules Coordinator

Ms. Madson requested that the Board to approve the filing of notice of proposed rule making for implementing direct shipment of wine to Washington consumers by U.S. wineries and allowing U.S. beer and wine manufacturers to self-distribute their products to licensed Washington retailers.

Process

If approved, Ms. Madson will file a notice of proposed rule making (CR 102) with the Office of the Code Reviser. A notice will be sent to interested parties for input and a public hearing date will be set.

The following schedule is an approximate timeline for rule making:

August 2, 2006	Board is asked to approve filing for rule making (CR 102)
August 2, 2006	Next deadline to file proposed rules with the Code Reviser
August 16, 2006	Code Reviser publishes notice, LCB sends notice to rules distribution list
September 15, 2006	End of written comment period
September 12, 2006	Board holds a public hearing during its regular board work session.
September 20, 2006	Board decides to 1) adopt the rule as written or with minor changes, OR 2) make substantive changes which require new notice and public hearing on new language
September 22, 2006	Agency sends notice to those who commented both at the public hearing and in writing.

September 22, 2006	Agency files adopted rules with the Code Reviser
October 23, 2006	Rules are effective (31 days after filing)

Board Member Ing moved for approval. Board Member Hoen seconded the motion, and it was passed unanimously.

Purchasing Services Division – Potential New Listings/Rejections

Pat McLaughlin, Purchasing Services Director

Based on presentations made by supplier representatives on July 27, 2006, discussions with members of the listing committee, tasting reports on product samples and other factors, Mr. McLaughlin recommended that the Board approve the following listing/rejection actions.

Listing Symbol Codes: R-Regular Listing; L-Limited Distribution; M-Mini Distribution; S-Warehouse Stock; U-Unlisted

<u>Description</u>	<u>Recommendations</u>
Indio Vodka, 750 ml - \$19.95	Reject
Spyke Premium Imported Vodka, 750 ml - \$14.95	Reject
Back in 'USSR' Vodka, 750 ml - \$15.95	List as L
Margaritaville Island Lime, 750 ml - \$16.95	Reject
Margaritaville Last Mango, 750 ml - \$16.95	List as L
Tarantula Plata Tequila, 750 ml - \$16.95	List as L
Tarantula Reposado Tequila, 750 ml - \$17.95	List as L
Pueblo Viejo Reposado Tequila, 750 ml - \$28.50	Reject
Hacienda Vieja Reposado Tequila, 750 ml - \$23.75	Reject
Corzo Silver Tequila, 750 ml - \$49.95	List as M
Corzo Reposado Tequila, 750 ml - \$51.95	Reject
Corzo Anejo Tequila, 750 ml - \$55.95	Reject
Indio Lemongrass Vodka, 750 ml - \$19.95	Reject
Indio Oregon Marionberry Vodka, 750 ml - \$19.95	Reject
Pearl Lo Coco Coconut Flavored Vodka, 750 ml - \$19.95	Reject
Michael Collins Irish Whiskey, 750 ml - \$30.95	List as M
Michael Collins Single Malt Irish Whiskey, 750 ml - \$42.95	Reject
Citadelle Gin, 750 ml - \$22.95	Reject
Landy VS Cognac, 750 ml - \$13.00	Reject
Agua Luca Cachaca, 750 ml - \$28.20	Reject
Bailey's Caramel Irish Cream, 750 ml - \$20.95	List as L*
Bailey's Mint Chocolate Irish Cream, 750 ml - \$20.95	List as L*

*Conditional approval based on supplier performance improvement.

Board Member Ing moved for approval. Board Member Hoen seconded the motion, and it was passed unanimously.

Purchasing Services Division – Potential Size Extensions

Steve Burnell, Marketing Manager

The suppliers of the following brands have requested size extensions in addition to the 750 ml size that is currently listed. For the currently listed sizes, both of these items are showing excellent growth in sales.

<u>Requested Size Extensions</u>	<u>Size</u>	<u>Retail Price</u>	<u>Current Average Monthly Sales 750 ml Size</u>	<u>Current Monthly Gross Profit</u>	<u>Increase</u>	<u>Category Average</u>	<u>% of Total Sales in Other Control States</u>
Jim Beam Black Bourbon	1.75L	\$40.95	164 cs.	\$10,421	22.4%	5.6%	38%
HpnotiQ Liqueur	375ml	\$13.95	765 cs.	\$40,970	10%	17.9%	34%

Mr. Burnell recommended Board approval for listing these two items as additional sizes.

Board Member Ing moved for approval. Board Member Hoen seconded the motion, and it was passed unanimously.

Board – Approval of Minutes

Board Member Ing reviewed the minutes of May 10, May 30, June 20, July 11, and moved for approval. Board Member Hoen seconded the motion, and it was passed unanimously.

The Meeting was adjourned at 10:40 a.m.

Merritt D. Long
Chairman

Vera Ing
Board Member

Roger Hoen
Board Member

Board Meeting
08/02/2006