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Iraqi forces advance near the village of Sheikh Younis, south of Mosul, after the offensive to retake the western side of the city from Islamic State fighters commenced on Sunday.

AHMAD AL-RUBAYE AFP/GETTY IMAGES

ADVISERS DEVELOP PLAN FOR RUSSIA, UKRAINE

Trump associates forge proposal to solve conflict between nations

BY MEGAN TWOHEY & SCOTT SHANE

A week before Michael Flynn resigned as national security adviser, a sealed proposal was hand-delivered to his office, outlining a way for President Donald Trump to lift sanctions against Russia.

Flynn is gone, having been caught lying about his own discussion of sanctions with the Russian ambassador. But the proposal, a peace plan for Ukraine and Russia, remains, along with those pushing it: Michael Cohen, the president's personal lawyer, who delivered the document; Felix H. Sater, a business associate who helped Trump scout deals in Russia; and a Ukrainian lawmaker trying to rise in a political opposition movement shaped in part by Trump's former campaign manager Paul Manafort.

At a time when Trump's ties to Russia, and the people connected to him, are under heightened scrutiny — with investigations by U.S. intelligence agencies, the FBI and Congress — some of his associates remain willing and eager to wade into Russia-related efforts behind the scenes.

Trump has confounded Democrats and Republicans alike with his repeated praise for the Russian president, Vladimir Putin, and his desire to forge a U.S.-Russian alliance. While there is nothing illegal about such unofficial efforts, a proposal that seems to tip toward Russian interests may set off alarms.

The amateur diplomats say their goal is simply to help settle a grueling, three-year conflict that has cost 10,000 lives. "Who doesn't want to help bring about peace?" Cohen asked.

But the proposal contains more than just a peace plan. Andrey Artemenko, the SEE TRUMP • A10

IRAQI FORCES LAUNCH ATTACK TO DRIVE ISIS OUT OF MOSUL

U.S. supports offensive; U.N. warns that hundreds of thousands trapped inside city 'at extreme risk'

BY RUKMINI CALLIMACHI & FALIH HASSAN

IRBIL, Iraq

Iraq opened the next chapter in its offensive to drive the Islamic State out of Mosul on Sunday, preparing an assault on the western half of the city. Overnight, planes carpeted the ground with leaflets, directly appealing to the group's fighters to surrender.

"To those of you who were intrigued by the ISIS ideology," one of the leaflets said, "this is your last opportunity to quit your work with ISIS and to leave those foreigners who are

in your homeland. Stay at home, raising the white flags as the forces approach."

On state-run television, Iraqi Prime Minister Haider al-Abadi announced the beginning of the offensive, describing it as "a new dawn" and calling on his troops "to move bravely forward to liberate what is left of the city."

The assault is taking place amid new concerns about the condition of hundreds of thousands of civilians still trapped in the western part of the city. Food, water and cooking fuel have all been reported to be in short supply, and residents

750K

United Nations' estimate of civilians who may be left in western Mosul, Iraq

have described increased harassment from Islamic State fighters preparing for the attack.

The United Nations warned that hundreds of thousands of civilians trapped inside their homes in Mosul "are at extreme risk."

The humanitarian agencies

were gearing up to aid 250,000 to 400,000 civilians who may flee because of the fighting, the statement said. The U.N. estimates 750,000 civilians may be left in western Mosul.

The overall push to free Mosul, once Iraq's second-largest city, began in October, with local troops pushing from the east into the city's geographically larger but more sparsely populated eastern half. In late January, they reached the banks of the Tigris River, which bisects Mosul, and declared the city's eastern section liberated.

SEE IRAQ • A6

AUTOMATION POISED TO RESHAPE MILITARY JOBS

Robots likely to replace humans in wide range of posts in armed forces

BY CARL PRINE

The wave of automation that swept away tens of thousands of American manufacturing and office jobs during the past two decades is now washing over the armed forces, putting rear-echelon and front-line positions in jeopardy.

"Just as in the civilian econo-

my, automation will likely have a big impact on military organizations in logistics and manufacturing," said Michael Horowitz, a University of Pennsylvania professor and one of the globe's foremost experts on weaponized robots.

"The U.S. military is very likely to pursue forms of automation that reduce 'back-office' costs over time, as well as remove soldiers from noncombat deployments where they might face risk from adversaries on fluid battlefields, such as in transportation."

Driverless vehicles poised to take taxi, train and truck driver jobs in the civilian sector also could nab many combat-support slots in the Army.

Warehouse robots that scoot goods to delivery vans could run the same chores inside Air Force ordnance and supply units.

New machines that can scan, collate and analyze hundreds of thousands of pages of legal documents in a day might outperform Navy legal researchers.

Nurses, physicians and corpsmen could face competi-

tion from computers designed to diagnose diseases and assist in the operating room.

Frogmen might no longer need to rip out sea mines by hand — robots could do that for them.

"Robots will continue to replace the dirty, dull and dangerous jobs, and this will affect typically more uneducated and unskilled workers," said Henrik Christensen, director of the Institute for Contextual Robotics at the University of California San Diego. "You need to look at SEE MILITARY • A13

WORKPLACE IMMIGRATION ENFORCEMENT COULD COME ROARING BACK

BY KATE MORRISSEY

While President Donald Trump sought to address many of his immigration platform promises through executive orders during his first weeks in office, his pledge to "turn off the jobs and benefits magnet" for unauthorized immigrants has yet to see action.

Attorney General Jeff Sessions, who has influenced Trump's immigration platform, has pushed for requiring all employers to use a program called E-Verify, a digital tool for employers to make sure their new hires are allowed to work in the United States.

Previous presidents have used workplace raids and audits to pursue unauthorized workers and their employers. Trump has shown public support for the E-Verify program, and some think the "law-and-order" president may also bring back other types of enforcement.

The Center for Immigration Studies, an organization that promotes lower immigration rates and has guided much of Sessions' and Trump's policies on immigration, is calling for the new president to renew workplace enforcement and audits.

Efforts to crack down on employment of unauthorized workers ebbed and flowed under the Obama administration. The numbers of criminal arrests associated with work-site enforcement dropped to 239 nationwide in 2016 from a peak of 713 in 2011, according to data from Immigration and Customs Enforcement.

The number of employer audits peaked under Obama in 2013 with 3,127 nationwide. SEE WORKPLACE • A12

SAN DIEGO'S BEER INDUSTRY TRYING TO AVOID FLAT PATCH

After growth comes call for sustainability

BY PETER ROWE

It's the 1 million barrel question:

As beer sales slacken and competition tightens, how can San Diego County's breweries — 136 at last count — survive?

On paper, the local craft beer scene is bright and bubbly, rolling out more than 1 million barrels last year. Escondido-based Stone Brewing ranks among the 10 largest craft breweries in the United States. Ballast Point, while not considered "craft" because it is not independent — New York's Constellation Brands owns the Miramar-based brewery — is even

larger.

Yet bubbles are bursting in the local and national beer industry.

This month, Carlsbad's On-The-Tracks closed after a five-year run. Poway's Lightning may be next. Owner Jim Crute said that if he can't sell his brewery soon, Lightning will be gone in a flash.

Even more casualties are coming, predicted Monique Medley, a commercial real estate broker who works with breweries.

"Some of these guys go in — as they should — with this wonderful vision: 'This is a passion I've had my whole life and I'm going to go for it,'" she said. "But if they don't have the right synergy, it just doesn't work."

Even large breweries are



EDUARDO CONTRERAS U-T

Dominic Engel is in his first year as CEO at Stone Brewing, which ranks among the 10 largest craft brewers in the U.S.

scrambling to cope with the new realities.

"Accidental success? Those days are behind us," said Dominic Engel, who was hired as Stone Brewing's CEO in Sep-

tember. "Purposeful success? Those days are before us."

Beer remains the nation's best-selling libation, with sales rising 2.2 percent last year, the SEE BEER • A14

COMING THIS WEEK

WEDNESDAY
FOOD: Author makes case for serving grains by the bowlful.

THURSDAY
NIGHT+DAY: 7 things you need to know about The Flower Fields.

FRIDAY
WEEKEND: Academy Awards preview, with predictions.

SUNDAY
ARTS: A look at Intrepid's refugee theater program.

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U-T INDEX

Comics	C3	Earthwatch	B2	Letters	B5
Crossword	C6	Editorial	B5	Lottery	A4
Dear Abby	C6	Horoscope	C6	Obituaries	B4

Scores	D6
Television	C5
Weather	A15



BEER • Would-be brewers afoot despite abundance of breweries

FROM A1 Nielsen Co. reported. Still, it is losing ground to wine (sales up 4.4 percent last year) and spirits (4.9 percent). Young drinkers, in particular, are turning away from ales and lagers.

"A lot of that is people going to wine," said Danelle Kosmal, Nielsen's vice president for beverage alcohol practice.

Another warning flag for brewers: The number of taverns geared toward beer drinkers is falling, while bars that specialize in mixed drinks and extensive wine lists are increasing.

"In the venues that are closing, beer is the preference of 56 percent of the customers," said Jon Collins, president of the consulting firm Nielsen CGA. "In the venues that are opening, beer is the preference of 39 percent of customers."

To meet these challenges, breweries have adopted a range of strategies. Five approaches:

1. Get out of town

San Diego beer isn't always made in San Diego. Stone is bottling and canning aggressively hopped ales in Europe (Berlin) and on the East Coast (Richmond, Va.).

Ballast Point is scheduled to open its Daleville, Va., brewery this summer. Mira Mesa's Green Flash has a satellite in Virginia Beach, Va., while Vista's Mother Earth has one in Nampa, Idaho.

Karl Strauss' chain of brewpubs extends from La Jolla to Anaheim and Universal City. Modern Times is opening brewpubs in Los Angeles and Anaheim.

It's often noted that satellites cut shipping expenses and ensure fresh beer in far-off locales. Often ignored, though, is that by going on the road, older breweries are able to refresh their images.

"There are so many new breweries, the 15 or 20 brands that have been here the whole time are suffering locally," said Tom Nickel, owner of Julian's Nickel Beer and two local beer bars, O'Brien's and West Coast Barbecue & Brew.

By establishing a presence in another city, state or nation, old beers recover some new-beer-in-town freshness.

2. Tapped into taprooms

When Stone debuted in 1996, it had to battle big multinational brewers for shelf space in markets and liquor stores. Today's rookie breweries have to scrap with the multinationals — and large craft brewers.

"Stone dominates the shelf space," Medley said. "These bigger guys are squeezing out shelf space for the smaller brewers."

One solution: Brewers create "shelf space" by opening taprooms, selling their beers a pint at a time to customers.

Heavyweights like Ballast

Point (400,000-plus barrels last year) and Stone (345,000 barrels last year) have taprooms, and smaller operations have followed suit. Vista's Iron Fist has one in Barrio Logan; Vista's Belching Beaver in North Park; Coronado's tasting rooms are in Bay Park and Imperial Beach.

When a pint is sold in a tasting room, none of the money is shared with distributors, retailers, bars or restaurants.

"Your highest margins are in your tasting room," said Raúl DeJú, owner of Guadalupe Brewery, a Carlsbad company that is planning a Vista taproom. "You make about 3½ times what you make selling elsewhere."

Still, some wonder if this movement has peaked. "There are so many tasting rooms, they are so prolific, that having a tasting room alone is no longer the answer," said Nickel, the brewer and pub owner.

"How many are you realistically going to visit? Eight, 10?"

3. Clubbing

Eager to maximize profits, breweries are also selling beers direct to consumers via membership clubs or online sites.

Last week, Modern Times alerted fans to a sale of four beers on the Brown Paper Tickets site. They commanded premium prices — for instance, Nautilus Har-

bour, a sour saison aged in white wine barrels with heirloom plums, was \$29.99 per 750 ml bottle.

These are limited-edition beers, available to the select few, and that's part of the appeal.

"This beer will not be distributed," Modern Times' email noted, "so the only way to get your hands on some is via the BPT sale. If there's anything left over after BPT, it'll be available in our tasting rooms."

Whether sold online or in a tasting room, these exclusive offerings eliminate revenue-reducing middle parties.

4. Filling niches

Despite an abundance of breweries, San Diego County hasn't run out of would-be brewers.

"There are still people looking," said Medley, the commercial real estate agent. "I've got someone I'm working with looking in Rancho Bernardo, someone looking in Oceanside."

Newcomers need an edge to rise above this already crowded field. A celebrity brewer (Mikkel Borg Bjergsø of Mikkeller San Diego), say, or a buzzworthy beer (Bear Cookie from Bear Roots Brewing), or branding that targets a certain community.

Rawley Macias aimed for the last when he named his soon-to-open Carlsbad brewery Rouleur.

A mechanical engineer

and avid cyclist, Macias explained that this French term describes an all-around cyclist who is accomplished at sprints, distance, climbing, the whole range of cycling skills.

"That's really what I want my brewing to be," he said.

To save money, Macias is leasing half of a "brewery igniter," side-by-side spaces supplied with brewhouses. (His neighbor, Wiseguy Brewing, is scheduled to open this spring.) By leasing space and equipment, Macias cut his startup costs from \$1 million-plus to under \$300,000.

To further economize, Macias plans to personally deliver kegs to restaurants and taverns, while pouring pints for locals at the brewery.

"My plan doesn't require me to be the next Stone, Ballast Point or Green Flash," he said. "There's always room for a neighborhood brewery."

5. Course corrections

Last year, Stone laid off about 60 people, 5 percent of its workforce. For the Escondido brewery, this was a first — and should be a last, the new CEO said.

"We had never done something like that before, nor do we intend to do it again," Engel said. "It was a one-time correction we needed to make."

These course corrections take various forms. For Lightning's Crute, it means

leaving the beer industry after a decade of running his Poway brewery.

"I got my CV together and applied for a few jobs," said Crute, who has a doctorate in biochemistry.

Crute credits Lightning's sagging sales to Stone's 2015 decision to stop distributing his German-style beers and a remote location that limited his drive-by business.

"You can be a small brewery nowadays," he said, "but you have to be really focused on sales that go directly to the public."

If Lightning is sold, it will follow in the footsteps of Stumblefoot. Bill Randolph recently sold his San Marcos brewery to entrepreneurs Cameron Rentsch and Cory Schmelzer.

"We love the San Diego beer community, and to be part of it is a dream come true," Rentsch said. "We want to take the brewery to the next level."

This is a seductive dream, Medley noted, but in reality winning breweries need a tight, focused team.

"The ones that succeed seem to have at least three key staffers," the commercial real estate agent said, "a people person, a good brewer and a good business person."

"The ones I have seen closing haven't really hit the nail on those, and they have to, because there's more competition now."

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