



napa valley vintners

bulletin

Subject: NVV Opposes New TTB Proposal

Date: December 3, 2007

TREASURY RULEMAKING THREATENS WINE INDUSTRY

On November 20th, the TTB proposed revisions to the regulations for American Viticultural Areas that will undermine decades of work on the part of the wine industry to establish a workable AVA system in the U.S. similar to those used throughout the rest of the world.

- The effects of these proposals are far-reaching and will have substantial and severe consequences to all U.S. wine regions and wine brands and to the truth in labeling rights of consumers.
- The revised regulations presented by the TTB provide certain wine brands the right to market and sell their products with deceptive labels, leading consumers to believe their wines are from grapes grown in certain appellations or winemaking regions, when they are not.
- Notice # 77, proposes grandfathering of brands, ie: "Calistoga Cellars" in the proposed AVA of Calistoga. These wines do not use Calistoga grapes and this producer is located in Mendocino County, yet operates a tasting room in downtown Calistoga. This brand has only been in existence since 1999 and the TTB will protect it versus brands in operation for decades.
- Notice # 78, threatens to eliminate the common and internationally understood practice of "nesting" wine appellations within larger wine appellations.
- Furthermore, this proposal looks to create "Rolling Grandfather" clauses that will allow new brands that would undermine the basic tenets of established law by allowing the use of mis-descriptive geographic brands on an ongoing basis and creates loopholes for a select few
- This creates a second class status for all the existing those brands that are now in compliance
- This is not solely Napa Valley's problem as it will affect all other American wine regions by opening the door for less forthright producers to mislabel wines, thereby diluting public confidence in our domestic products.
- The proposal is in conflict with the U.S.-supported World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which protects geographic identity in wine labeling.

- It is also in conflict with other wine labeling laws administered by the U.S. Patent and Trademark Office.
 - These regulations will have a substantial negative impact on consumer confidence and compromise the integrity of the American wine industry both domestically and internationally.
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