



Testimony on HB 2702
House Business and Labor Committee
March 8, 2013
Submitted by Dan Jarman on behalf of the
Oregon Winegrowers Association

The Oregon Winegrowers Association (OWA) appreciates the opportunity to provide testimony on HB 2702, which would allow Oregon communities to establish Alcohol Impact Areas (AIA) through the Oregon Liquor Control Commission (OLCC).

OWA understands that some larger Oregon cities have issues with chronic public inebriants that lead to higher crime rates and other civil disobedience. We support the desire of local officials to have effective tools to address these problems.

OWA's concern is not necessarily with the establishment of AIA's, especially when done in a reasoned and well thought out manner. However, OWA cannot support giving the OLCC and cities broad authority to ban categories of alcoholic beverages that are not related to the problems and may have the net effect of preventing consumers from legally purchasing Oregon wines.

The Oregon wine industry contributes more than \$2.7 billion of economic activity to the state's economy each year, including more than 13,000 wine-related jobs. Our industry's economic impact extends beyond the vineyard and the winery and creates many other wine-related jobs in the transportation, distribution, grocery and retail sectors.

In 2010 and 2011, OWA opposed the City of Portland's AIA petition to the OLCC because it imposed a broad ban that could have captured many fine Oregon wines. However, there was no research or data indicating these wines were part of the problem that the city was hoping to fix. These are some of our specific concerns OWA had with Portland's proposal:

- Overly broad categorical ban including many Oregon wines. Portland chose to ban all wines greater than 14 percent alcohol by volume (ABV), which captured a wide range of Oregon wines. Growing and harvest temperatures greatly impact alcohol levels – the hotter the year, especially at harvest - the higher the natural alcohol levels. In Oregon, the 2009



harvest included extended periods of hot weather and as a result the majority of 2009 Oregon Pinot Noirs had ABVs greater than 14 percent.

- Inclusion of all fortified wines even if not related to the problems. Portland attempted to ban “fortified” wines. These are wines where distilled spirits are added. Oregon dessert wines, including port, sherry, madeira, vermouth, are fortified with some spirits. Again, this broad ban would have affected the sale of some high-end Oregon dessert wines.
- Ban on eco-packaging. We also took issue with Portland’s ban on wines that come in soft packaging or in boxes with bladders. A growing trend in the wine industry is for more environmentally sustainable packaging. Wine in “tetra” packaging is becoming more popular, especially wines coming from overseas. A broad ban of wine in these packages would discourage new sustainable ways to bring wines to Oregon consumers.

We hope these examples give you a good sense of how not to craft an AIA policy. Should your committee decide to move on a bill, we strongly suggest you give the OLCC and cities narrow authority focused on a targeted approach that links the ban on alcohol sales to products that have been clearly identified as the problem – **and Oregon wines are not a problem.**

The State of Washington has implemented this product-by-product ban approach. This ensures that products that are not contributing to the problem are not unfairly banned, and acknowledges the presence of responsible consumers and sellers of alcohol. We believe this makes more sense and gets at the heart of the issue cities are trying to address.

We support the desire of Portland and other cities to increase livability and improve the quality of life of for downtown residents, businesses and visitors by addressing the issue of chronic public inebriation.

We are interested in working with you and local officials towards a reasonable solution – one that does no harm to an industry that is a valuable contributor to the economy and whose products are enjoyed legally and safely by residents in larger Oregon cities.