

# DEL RIO

VINEYARD ESTATE

April 5, 2019

VIA EMAIL TO [sjud.exhibits@oregonlegislature.gov](mailto:sjud.exhibits@oregonlegislature.gov)

Oregon Senate Judiciary Committee  
900 Court Street NE  
Salem, OR 97301

Re: Response to SB 111-4

Dear Senators -

We are writing today in strong opposition of SB 111-4.

Oregon Labeling regulations require, if the label claims or implies “Oregon” an Oregon County or an AVA wholly within Oregon, 100% of the grapes must be from Oregon and 95% from that appellation of Origin. These blending percentages are considerably stricter than our neighboring states as well as the federal standard set by the TTB.

Oregon also has stricter regulations than other U.S. regions when it comes to labeling the varieties used in a wine. Federal regulation states that at least 75% of grapes used to make a wine must be of the declared variety in an identified appellation of origin. In Oregon, 90% or more of the wine must be from the named variety, including Oregon’s most widely produced wines: Pinot noir, Pinot gris, Chardonnay, Pinot blanc and 50 other varieties known to grow in Oregon.

Federal Law which regulates every bonded winery in the nation states that the wine must conform to the laws and regulations of the named appellation area governing the composition, method of manufacture, and designation of wines made in such state.

We argue that Oregon already has the strictest laws in the nation when it comes to blending and labeling wine. The feds say Oregon labels have to follow Oregon law, so why would we burden the OLCC with unnecessary and expensive oversight.

- This bill is designed to chase away out of state buyers looking to build brand Oregon. This bill will devalue Oregon wine grapes at the expense of growers, while benefiting a few.
- This bill is dividing our industry like never before.
- It creates winners and losers.
- It is not supported by the industry as a whole, only a few.
- It puts the OLCC in an unachievable regulatory position. There is not an epidemic of label violations, but only a few, and those have been handled by the TTB and the OLCC as the law requires.

We are in support of collecting a \$25 grape tonnage tax on all fruit grown in Oregon, whether it is sold in or out of state. But, do not think we need legislation to collect it. A simple adjustment to the existing "Oregon Wine Board Tax Report" is all that would be needed.

The \$25,000 fine for an infraction of a rule that has not been made yet is bit much for most wineries and would probably keep them from buying Oregon grapes and building brand Oregon.

SB 111-4 is a poorly written retaliatory bill that will benefit a few and devastate others, while it divides the Oregon wine industry.

We urge you to vote no on SB 111-4

Rob & Jolee Wallace  
Del Rio Vineyards & Winery

State and Federal regulation documents attached.

# OREGON WINE

## LABELING REGULATIONS



UPDATED 11.1.16



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OREGON  
WINE  
BOARD

**OREGON WINEMAKERS  
FIERCELY PROTECT THE  
INTEGRITY OF THEIR LAND,  
THEIR WAY OF LIFE AND  
THEIR WINE.**

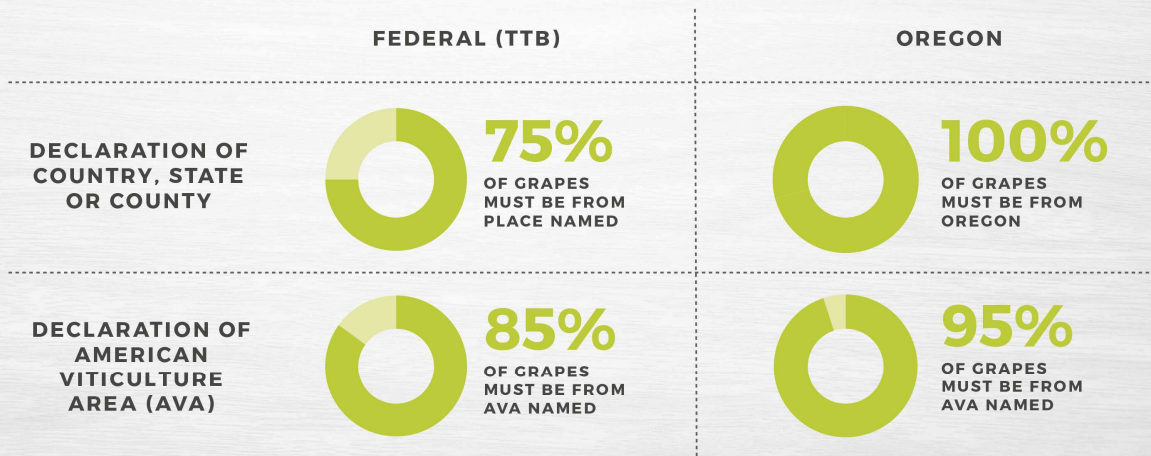
**In 1977, Oregon winemakers joined  
together to adopt stricter regulations  
than required federally by the TTB.**



## PLACE OF ORIGIN LABELING REGULATIONS

### EVERY OREGON WINEGROWING REGION IS DISTINCT FROM ITS NEIGHBORS.

To preserve identity and create transparency, origin labeling is stricter in Oregon.



## VARIETAL DECLARATION

### OREGON SETS THE BAR HIGHER FOR QUALITY AND PURER VARIETAL EXPRESSION.

In Oregon, at least 90% of a wine must be made from the variety named on the label.

The 90% rule applies to Pinot noir, Pinot gris, Chardonnay, Pinot blanc and more than 50 other varieties grown in Oregon.



## VARIETAL DECLARATION

In Oregon, these 18 varieties may be blended with up to 25% of other varieties, in recognition of their traditional vinification styles in Bordeaux, Rhône, Rioja and other Old World regions.

**Cabernet Franc**

**Cabernet Sauvignon**

**Carmenere**

**Grenache**

**Malbec**

**Marsanne**

**Merlot**

**Mourvedre**

**Petite Sirah**

**Petit Verdot**

**Roussanne**

**Sangiovese**

**Sauvignon blanc**

**Semillon**

**Syrah**

**Tannat**

**Tempranillo**

**Zinfandel**

## NEW WORLD TRADITIONS

Many Old World winemaking regions have systems of classification and regulations that govern oenological practices, rooted in centuries of tradition.

In the spirit of diversity and experimentation, the U.S. has chosen to leave these decisions to the winemakers, who continue to discover and define the terroir of their regions.

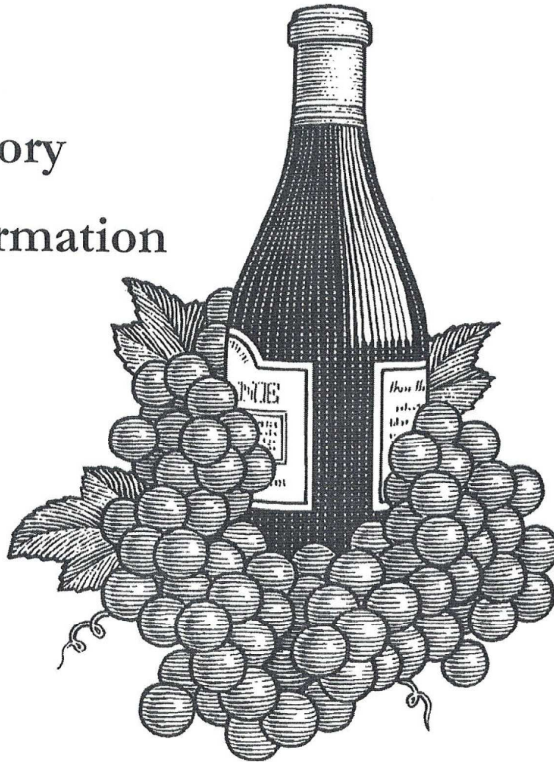


*Department of the Treasury*

*Alcohol & Tobacco Tax & Trade Bureau*

**THE BEVERAGE**  
**ALCOHOL MANUAL (BAM)**  
*A Practical Guide*

**Basic Mandatory**  
**Labeling Information**  
**for WINE**



TTB-G-2018-7 (8/2018)

REQUIREMENTS FOR USE – AMERICAN WINE

APPELLATION	REQUIREMENTS FOR USE...	If Grape Wine Labeled with a Vintage Date
<p>The United States or American</p>	<p>1) Not less than 75 percent of the wine must be derived from fruit or agricultural products (as applicable) grown in the United States; AND                      2) The wine must be fully finished (except for cellar treatment pursuant to §4.22(c), and blending that does not result in an alteration of class or type under §4.22(b)) within the United States; AND                      3) The wine must conform to the laws and regulations of the named appellation area governing the composition, method of manufacture, and designation of wines made in the United States.</p>	<p>At least 85% of the wine was derived from grapes harvested in the stated calendar year.</p>
<p>A State</p>	<p>1) Not less than 75 percent of the wine must be derived from fruit or agricultural products (as applicable) grown in the named State; AND                      2) The wine must be fully finished (except for cellar treatment pursuant to §4.22(c), and blending that does not result in an alteration of class or type under §4.22(b)) in the named State or an adjacent State; AND                      3) The wine must conform to the laws and regulations of the named appellation area governing the composition, method of manufacture, and designation of wines made in such State.</p>	<p>At least 85% of the wine was derived from grapes harvested in the stated calendar year.</p>
<p>A county</p> <p>The appellation must be identified with the word "county" in the same size of type as, and in letters as conspicuous as, the name of the county.</p>	<p>1) Not less than 75 percent of the wine must be derived from fruit or agricultural products (as applicable) grown in the named county; AND                      2) The wine must be fully finished (except for cellar treatment pursuant to §4.22(c), and blending that does not result in an alteration of class or type under §4.22(b)) in the State in which the named county is located; AND                      3) The wine must conform to the laws and regulations of the named appellation area (including the law of the State in which the county is located) governing the composition, method of manufacture, and designation of wines made in such county.</p>	<p>At least 85% of the wine was derived from grapes harvested in the stated calendar year</p>

APPELLATION	REQUIREMENTS FOR USE...	If Grape Wine Labeled with a Vintage Date
<p>Multistate appellation -</p> <p>Comprising two or no more than three States which are all contiguous</p>	<p>1) All of the fruit or agricultural products (as applicable) were grown in the States indicated, and the percentage of the wine derived from fruit or other agricultural products grown in each State is shown on the label with a tolerance of plus or minus 2 percent;</p> <p>2) The wine has been fully finished (except for cellar treatment pursuant to §4.22(c), and blending that does not result in an alteration of class or type under §4.22(b)) in one of the labeled appellation States; AND</p> <p>3) The wine conforms to the laws and regulations governing the composition, method of manufacture, and designation of wines in all of the States listed in the appellation.</p>	<p>At least 85% of the wine was derived from grapes harvested in the stated calendar year.</p>
<p>Multicounty appellation -</p> <p>Comprising two or no more than three counties in the same State</p>	<p>1) All of the fruit or agricultural products (as applicable) were grown in the counties indicated; AND</p> <p>2) The percentage of the wine derived from fruit or agricultural products (as applicable) grown in each county is shown on the label with a tolerance of plus or minus two percent.</p>	<p>At least 85% of the wine was derived from grapes harvested in the stated calendar year.</p>
<p>An approved American viticultural area</p>	<p>1) Not less than 85 percent of the wine must be derived from grapes grown in the named viticultural area; AND</p> <p>2) The wine must be fully finished (except for cellar treatment pursuant to §4.22(c), and blending that does not result in an alteration of class or type under §4.22(b)) in the State (or one of the States) in which the named viticultural area is located.</p>	<p>At least 95% of the wine was derived from grapes harvested in the stated calendar year.</p>