

# PAUL O'BRIEN

WINERY

Scott Kelley  
Paul O'Brien Winery  
609 SE Pine St.  
Rosburg, Or 97470  
4/4/19

Dear Senators:

I am writing you today in strong opposition of SB111-4 amendments. While the makers of the bill changed some of the language from the -3's, this bill is still very much a wolf in sheep's clothing. Mr Bernau continues to strong arm the OWA into providing a system for him to eliminate competition for Willamette Valley Vineyards. This bill continues to divide the Oregon wine industry while creating winners and losers. Below are the sections of the bill that I take exception.

- Section 1 (4) gives the OLCC the power to create rules against deceptive labelling
  - This is an attempt to work around the legislature to implement deceptive labelling rules. To quote Jim Bernau in a letter to the industry *"The requirement bulk wine shipments carrying Oregon designations comply with Oregon legal standards. We will seek OLCC administrative rule-making on this subject later"*
  - We have existing state and federal laws that protect the Oregon wine industry. These laws work when enforced (as with the Copper Cane case).
  - Giving arbitrary rule making power to the OLCC does not ensure that all Oregon's wine industry interests are represented at the table when rules are developed. Wineries with more money and legal clout will run rough shot over those of us just trying to make a living.
  - Jim Bernau would like you to believe there is an epidemic of wineries using deceptive labelling to gain a competitive advantage. This is untrue and purely a ploy to pass legislation that will eliminate competition. One winery utilized creative, but true, marketing and has fixed those labels.
  - Increases the need for FTE jobs within the OLCC costing taxpayers.
- Section 1 (5) increases the punitive penalties to \$25,000
  - This would be a major fine for a small winery here in Oregon.
  - This does not send the message that Oregon wants small wine businesses to prosper and grow but rather that Oregon is punitive via complaint driven systems.
  - This will discourage buyers small and large from doing business in Oregon
- Section 2 – creates a complaint driven system to measure and gives OLCC the right to make recommendations that all Oregon wines be bottled in state
  - This is purely anti-competition law and puts the OLCC in the middle of winery disputes
  - This is not an epidemic that needs systems such as this. The current state and federal laws work.
  - Again this will discourage buyers from starting brands with Oregon grapes because of risk of being ruled out or having to bottle in state

This matter is a solution in search of a problem. I ask that you stand with the majority of winegrower's in the state who oppose Bill SB111 -4. Let the Oregon wine industry grow and prosper!

I request a response regarding this matter.

Sincerely,

Scott Kelley