

House Joint Memorial 8

Sponsored by Representatives GOMBERG, HOLVEY, SMITH DB, NOBLE, Senators GIROD, PROZANSKI, RILEY, ROBLAN, WINTERS; Representatives BARKER, BARRETO, BOLES, BONHAM, BOSHART DAVIS, CLEM, DOHERTY, EVANS, FAHEY, HELM, KENY-GUYER, LEIF, LIVELY, MARSH, MCKEOWN, NEARMAN, PILUSO, POWER, PRUSAK, REARDON, SALINAS, SOLLMAN, WALLAN, WILDE, WILLIAMS, Senators BAERTSCHIGER JR, BOQUIST, BURDICK, COURTNEY, DEMBROW, HASS, HEARD, KNOPP, MONNES ANDERSON, THATCHER, WAGNER

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Urges federal government to adopt and enforce stringent regulations related to accuracy in wine labeling, packaging and advertising.

Urges states to enter into mutual agreements related to enforcement of wine laws.

JOINT MEMORIAL

1
2 To the Senate and the House of Representatives of the United States of America, in Congress as-
3 sembled, the United States Secretary of the Treasury and the Administrator of the Alcohol and
4 Tobacco Tax and Trade Bureau:

5 We, your memorialists, the Eightieth Legislative Assembly of the State of Oregon, in legislative
6 session assembled, respectfully represent as follows:

7 Whereas the wine industry in the United States creates substantial economic and cultural op-
8 portunities, particularly in rural areas; and

9 Whereas the awareness and confidence of wine consumers depend on accurate representations
10 of wine geographic designations of origin; and

11 Whereas on September 25, 2018, with a bipartisan voice vote, the United States Senate agreed
12 to Senate Resolution 649, which recognizes the contributions of the nation's distinctive winegrowing
13 regions and American Viticultural Areas (AVAs); and

14 Whereas the Alcohol and Tobacco Tax and Trade Bureau (TTB) is proposing, through Notice
15 Number 176, to "comprehensively amend its regulations governing the labeling and advertising of
16 alcoholic beverages in order to improve understanding of the regulatory requirements and to make
17 compliance easier and less burdensome for industry members"; and

18 Whereas the comment period for this proposed rule closes on March 26, 2019; now, therefore,

19 **Be It Resolved by the Legislative Assembly of the State of Oregon:**

20 (1) We, the members of the Eightieth Legislative Assembly, respectfully urge Congress to sup-
21 port the TTB in its thorough enforcement of accuracy in wine labeling, packaging and advertising
22 claims regarding geographic designations, appellations of origin, AVAs and varietal content.

23 (2) In the interests of simplifying, clarifying and reducing the overall regulatory burden of in-
24 dustry members, we urge the TTB to modernize their labeling and advertising regulations so that
25 states with higher varietal, appellation and AVA standards may determine enforcement needs from
26 federal labeling processes.

27 (3) We further urge the TTB to:

28 (a) Enforce laws requiring accuracy in wine labeling, packaging and advertising claims regard-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 ing geographic designations, appellations of origin, AVAs and varietal content.

2 (b) Enforce the federal prohibition on stating or implying geographic designations, including
3 AVAs, in wine brands unqualified for that designation.

4 (c) Prohibit fictitious geographic references.

5 (d) Ensure that wine conforms to laws of the named appellation governing the composition,
6 method of manufacture and designation of wines for state or local appellations of origin.

7 (e) Require the removal of all misrepresentations on wine labels, packaging or advertising for
8 wine held in storage at wineries, bonded wine warehouses and distributor warehouses.

9 (f) Conduct product integrity field investigations and audits to determine whether wine labels,
10 packaging and advertising accurately reflect the source and varietal standards established by the
11 relevant state.

12 (4) We further urge the TTB, in conducting product integrity field investigations and audits for
13 any wine that claims or implies anywhere on its label that its appellation of origin is Oregon, a
14 county in Oregon or an AVA wholly within Oregon, to determine that no less than 100 percent of
15 the grapes used to produce the wine were grown in Oregon and 95 percent were grown in the named
16 Oregon appellation of origin, and that 90 percent of the volume of wine comes from the named grape
17 variety, unless the variety is one of the grape varieties listed in Oregon Administrative Rule
18 845-010-0915 (2).

19 (5) We further urge the TTB to require the immediate removal from the market of products with
20 claims or representations on wine labels that are determined to be inaccurate.

21 (6) We further urge the TTB, in their review of certificates of label approval applications for
22 wine, to analyze submitted labels and the supporting application to determine whether any wine la-
23 bel that uses the term “produced by” accurately reflects the permitted location where the wine is
24 fully finished and “vinted by” reflects where additional cellar treatment of the finished wine occurs,
25 so that TTB label specialists can identify unlawful references to AVAs on label applications.

26 (7) We further urge the TTB to require that “produced in” or “vinted in” appear immediately
27 adjacent to and in twice the text size of the named state of origin and AVA in those instances when
28 the named state of origin standards are higher and the wine is produced or vinted outside the named
29 state, so that consumers are not falsely led to believe the wine is made under the regulatory
30 supervision of that state.

31 (8) We further urge the TTB to enforce against misuses of appellations of origin, including as-
32 sessment of penalties and suspension or revocation of TTB basic permits for multiple violations of
33 geographic designations, especially those violations determined to be intentional.

34 (9) We urge each state of these United States—represented by their legislatures, attorneys
35 general and liquor control agencies—to enter into mutual agreements with the State of Oregon and
36 with each other for reciprocal enforcement of wine labeling, packaging and advertising laws.

37 (10) A copy of this memorial shall be sent to the Senate Majority Leader, to the Speaker of the
38 House of Representatives, to each member of the Oregon Congressional Delegation, to the United
39 States Secretary of the Treasury, to the Administrator of the Alcohol and Tobacco Tax and Trade
40 Bureau and the Director of the Alcohol and Tobacco Tax and Trade Bureau’s Trade Investigations
41 Division and, for each state of these United States, to the presiding officers of its legislative cham-
42 bers, to its attorney general and to its liquor control agency.

43