



napa valley vintners

press release

Treasury Rulemaking Threatens Wine Industry

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Napa Valley Vintners Strongly Oppose TTB Proposal

Napa Valley, CA—Napa Valley Vintners (NVV), the non-profit trade association announced today its strong opposition to proposed rulemaking regarding American wine regions. Representing more than 300 wineries in the region, the group takes the following position:

On November 20th, the United States Treasury Department via the Alcohol and Tobacco Tax and Trade Bureau (TTB) proposed revisions to the regulations for American Viticultural Areas (AVAs) 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, but more importantly, 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. These regulations provide, for a select few wine brands, a loophole through which to sell their misleading wines. This jeopardizes the integrity of the vast majority of winemakers who properly and honestly label and brand their wines based on decades of consumer protection legislation, relegating these long-time and honest producers into a compromised position with regard to the consumers who expect government approved labels to be forthright and true.

The regulations being proposed by the TTB flagrantly disregard the rights of consumers to know what they are buying. Though the example is based on a local issue in Napa Valley, the consequences are far-reaching. The case in question is Notice # 77, where a brand labeled as “Calistoga Cellars” leads the buyer to believe the wine to be from the proposed AVA of Calistoga, one of the most historic and specific wine producing regions in California, when it is not. The grapes are not grown in Calistoga and the wine is not made here. Yet, a buyer would surely think that a wine labeled as such would be from the renowned Calistoga region known for outstanding quality. Herein lies the rationale for why a producer would want such a chance to sell its wine with a misleading label, trading on the quality reputation of this place. TTB should not be in the business of making new rules to protect the special interests of producers of misleading brands.

Additionally, the companion proposal, Notice # 78, threatens to eliminate the common and internationally understood practice of “nesting” wine appellations within larger wine appellations and to eliminate the existing high standards of grape source requirements, providing additional

channels for consumer deception. 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.

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, interestingly, 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. The Napa Valley Vintners, a non-profit trade association, seeks broad-based opposition from consumers and opinion- and policy-makers to this irresponsible proposal by the TTB.

Dennis Groth, owner of Groth Vineyards and long-time member of the association’s Winegrower Appellation Committee commented, “The TTB’s proposal is the wrong solution to a self-inflicted problem.”

Ed Matovcik, vice president with Beringer Vineyards said, “TTB’s proposals clearly ignore the best interests of consumers and represent a dramatic departure from the high consumer protection standards the American wine industry has fought so hard to achieve.”

About the NVV

Now in our seventh decade, the Napa Valley Vintners (NVV) non-profit trade association is the sole organization responsible for promoting and protecting the Napa Valley Appellation as a winegrowing region second to none in the world. Respect for our history reinforces our commitment to the preservation and enhancement of the Valley’s land, wine, and community for future generations. We address the shared interests of our more than 300 member wineries and aspire to be the essential organization for all Napa Valley vintners.

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