

## Enrolled

# 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, LEWIS, LIVELY, MARSH, MCKEOWN, NEARMAN, PILUSO, POST, POWER, PRUSAK, REARDON, RESCHKE, SALINAS, SOLLMAN, STARK, WALLAN, WILDE, WILLIAMS, WILSON, Senators BAERTSCHIGER JR, BOQUIST, BURDICK, COURTNEY, DEMBROW, HASS, HEARD, KNOPP, MONNES ANDERSON, THATCHER, WAGNER

To the Senate and the House of Representatives of the United States of America, in Congress assembled, the United States Secretary of the Treasury and the Administrator of the Alcohol and Tobacco Tax and Trade Bureau:

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

Whereas the wine industry in the United States creates substantial economic and cultural opportunities, particularly in rural areas; and

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

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

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

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

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

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

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

(3) We further urge the TTB to:

(a) Enforce laws requiring accuracy in wine labeling, packaging and advertising claims regarding geographic designations, appellations of origin, AVAs and varietal content.

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

(c) Prohibit fictitious geographic references.

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

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

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

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

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

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

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

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

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

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

Adopted by House February 25, 2019

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Adopted by Senate March 19, 2019

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Peter Courtney, President of Senate