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Chief, Regulations and Procedures Division Alcohol and Tobacco Tax and Trade Bureau Attn: Notice No. 49 P.O. Box 14412 Washington, DC 20044-4412

Dear Chief,

On behalf of the Napa Valley Vintners, a trade association representing more than 270 wineries in the Napa Valley, we wish to express our opposition to the proposed change to vintage date requirements (2005R-212P). The proposal requests that the vintage requirements for wine labeled with anything other than an appellation (county, multi-county, or state) be lowered from 95% to 85%.

The rationale for the policy setting the current requirement at 95 percent was so that the industry could replace wine lost by evaporation and leakage during the aging process. No winery should be losing more than 5 percent of its wine this way, so a change to the existing rule would be a change to the policy rationale behind the rule. First, there must be a good reason for abandoning the existing policy. The NVV is not convinced that " better mid-range wine" or "better economics," are sufficiently compelling reasons. Second, what policy rationale would support the proposed two-tier rule in view of the likely consumer confusion, especially where the AVA and county appellations have common names (e.g., Napa Valley and Napa County)?

Vintage dating is not mandatory. If a winery decides to blend vintages to produce a marketable wine, the wine should not bear a vintage date.

The Wine Institute, in its request for a rule change, states that foreign wines sold in the US do not always comply with the current regulation and that the new rules would assist with compliance by bringing the US in line with other wine growing regions. They do not substantiate the claim that foreign wines do not currently comply, except unspecified " discussions with wineries in other countries." However, non-compliance is not itself a valid reason for challenging the rule.

Wine Institute notes that the TTB has not enforced compliance with vintage date regulations on imported wines. Nevertheless, enforcement of the US regulations applicable to vintage-dated imported wine is a separate issue. In addition, given the differing standards of certain countries with regard to vintage dating (for example, Chile and South America require that only 75 percent of the grapes in a vintage-dated bottle be grown in the year shown on the label), the new rule would only reduce, not eliminate, compliance concerns.

The Wine Institute cites a European Union regulation which apparently requires only 85 percent of grapes to come from the vintage stated on the label. However, the section quoted covers sparkling wine only. The section referring to "other than sparkling wines" does not refer to any specific percentage.

For the above reasons, the NVV requests that the TTB maintain the vintage dating rule at 95% for all wines. If the TTB decides that the rule should change, the NVV recommends that wines bearing a county or AVA appellation should remain at 95 percent and only wines bearing state appellations may contain 85 percent of wine from the stated vintage.