HINZERLING VINEYARDS, INC.
1520 SHERIDAN AVENUE
PROSSER, WA 99350
(509)-786- 2163

SEPTEMBER 30, 1983

CHIEF, REGULATIONS AND PROCEDURES DIVISION
BUREAU OF ALCOHOL TOBACCO AND FIREARMS
P.O. BOX 385
WASHINGTON D.C. 20044-0385

RE: ATF NOTICE 483

DEAR SIR:

THE PURPOSE OF THIS LETTER IS TO SUBMIT FORMAL COMMENT REGARDING THE PETITIONS OUTLINED IN NOTICE 483 PURSUANT TO ESTABLISHING THE "COLUMBIA VALLEY" AS AN AMERICAN VITICULTURAL AREA. I AM OPPOSED TO THE ESTABLISHMENT AS OUTLINED IN THIS PROPOSAL FOR THE FOLLOWING REASONS:

1. WHILE THE GENERAL OUTLINES OF THE AREA WOULD SEEM TO MAKE VITICULTURAL SENSE AND WOULD FOR THE MOST PART PROVIDE THE CONSUMER WITH RELEVANT "TRUTHFUL" INFORMATION REGARDING THE ORIGIN OF GRAPES FOR ANY WINE, INCLUSION OF THE NORTHEASTERN PART OF OREGON WILL NOT MEET THE INTENT OF 27 CFR PART 4. AS:
A.TO THE BEST OF MY KNOWLEDGE, THIS AREA HAS NO SIGNIFIGANT COMMERCIAL GRAPE PRODUCTION.
B. NO COMMERCIAL WINES HAVE BEEN PRODUCED FROM THIS AREA.
C. MOST,IF NOT ALL OF THIS LAND IS ON NORTH FACING SLOPES AND HENCE PHYSICALLY AND CLIMATOGICALLY DISTINCT FROM THE REST OF THE PROPOSED AREA.

2. IT IS MY UNDERSTANDING, THAT WHEN AN APPELLATION INVOLVES MULTIPLE STATES, THE LAWS AND REGULATIONS OF BOTH STATES WOULD APPLY IN REGARDS TO PRODUCTION, LABELING, ETC; AND FURTHER THAN IN THE CASE OF A CONFLICT, THE MOST STRINGENT WOULD THEN APPLY. IF THIS IS TRUE, THEN THERE WILL BE DISTINCT AND POSSIBLY UNRESOLVABLE PROBLEMS, AS THE LAWS OF WASHINGTON AND OREGON ARE QUITE DIFFERENT IN REGARDS TO LABELING AND PRODUCTION OF WINE. FOR EXAMPLE, WASHINGTON STATE LIQUOR CONTROL BOARD REGULATIONS, CODIFIED AS WASHINGTON ADMINISTRATIVE CODE 314-24-003-(4), CLEARLY STATE "APPLELLATIONS OF ORIGIN. A WINE SHALL BE ENTITLED TO AN APPELLATION OF ORIGIN IF: .....(B) IT HAS BEEN FULLY PRODUCED AND FINISHED WITHIN SUCH A PLACE OR REGION.....". CLEARLY THEN, NO OREGON WINERY LYING OUTSIDE OF THE PROPOSED AREA, COULD USE THE COLUMBIA VALLEY DESIGNATION. I DON'T BELIEVE MR. WILLIAM BLOSSER WAS AWARE OF THIS REGULATION WHEN HE PROPOSED INCLUSION OF OREGON, AS HIS WINERY IS DEFINITELY OUTSIDE OF THE PROPOSED AREA.
FURTHERMORE, OREGON REGULATIONS ARE QUITE DIFFERENT REGARDING VARIETAL LABELING OF WINES. THESE REGULATIONS WERE DERIVED BY THE OREGON WINEGROWERS COUNCIL AND ADOPTED BY THEIR STATE GOVERMENT WITHOUT TESTIMONY OR INPUT FROM WASHINGTON WINERIES OR GROWERS. I HAVE NO PROBLEM WITH THIS AS LONG AS THEY CONCERN ONLY OREGON GROWN AND PRODUCED WINES. HOWEVER 27 CFR PART 4 CLEARLY IMPLES THAT ALL WINES USING THE COLUMBIA VALLEY APPELLATION WOULD BE BOUND BY THE SAME REGULATIONS, FORCING WASHINGTON WINERIES AND GROWERS TO ABIDE BY REGULATIONS DERIVED BY A GOVERNMENT IN WHICH THEY HAVE NO REPRESENTATION.

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3. INCLUSION OF OREGON IN THE COLUMBIA VALLEY APPELLATION WOULD BE IN MY OPINION BE A CLEAR SUBVERSION OF THE INTENT OF TREASURY DECISION ATF-53. THE REASON MR. BLOSSER WANTS OREGON INCLUDED IN THE APPELLATION IS BECAUSE OREGON WINERIES DO NOT WISH USE WASHINGTON STATE ON THEIR LABELS FOR WINES PRODUCED IN OREGON FROM WASHINGTON STATE GRAPES. THEY WOULD PREFER TO CONFUSE THE CONSUMER. MR. BLOSSER HAS TOLD ME HIMSELF THAT OREGON WINERIES ARE OFTEN ASKED WHY THEY MAKE WINE FROM WASHINGTON GRAPES.

IN CONCLUSION, I AM SUPPORTING THE PETITION FOR APPROVAL OF THE COLUMBIA VALLEY AS A VITICULTURAL AREA, IF THE COLUMBIA RIVER IS USED AS THE SOUTHERN BORDER.I AM FURTHER REQUESTING THAT A FORMAL HEARING BE INSTITUTED BEFORE THIS PROPOSED RULE IS MADE.

SINCERELY,

Mike Wallace

MIKE WALLACE, WINEMAKER/PRESIDENT
HINZERLING VINEYARDS, INC.

JOHN SPELLMAN
Governor

M. KEITH ELLIS
Director

STATE OF WASHINGTON
DEPARTMENT OF AGRICULTURE
406 General Administration Bldg., AX-41 • Olympia, Washington 98504 • (206) 753-5063

October 4, 1983

Chief, Regulations and Procedures Division
Bureau of Alcohol, Tobacco and Firearms
P. O. Box 385
Washington, D. C. 20044-0385

Attention: Notice No. 483

Dear Sir:

The purpose of this letter is to comment on petitions filed with you by Dr. Walter Clore, of Prosser, Washington, and by William Blosser of the Sokol Blosser Winery, Dundee, Oregon, concerning the "Columbia Valley Appellation." I have reviewed the BATF proposal which is based on these petitions, and strongly urge you to reconsider the petitions and reject the proposal as currently written.

The Washington State Department of Agriculture is currently engaged in a two-year marketing effort, mandated by the state legislature and guided by an advisory council of Washington wine industry representatives, to tell the story of the prime viticultural region and quality wines made in Washington. I have added a well-known wine authority, Lila Gault, to our staff, whose task is to educate consumers coast to coast about Washington wines.

It is my understanding that the primary purpose of a designated appellation is, like Ms. Gault's work, educational. The appellation allows wineries to identify the specific viticultural area where their wines originate so that consumers can make informed judgments before they actually buy a certain wine.

The Columbia Valley Appellation best serves its educational function if Oregon, which to my knowledge has no significant commercial viticulture in the part of their state included in the petition, is excluded from the designated Appellation. Consumers need assurance of quality, which they won't necessarily get, if they see the Appellation used on a variety of labels, regardless of where the wine was made.

It is clear that the reason Sokol Blosser petitioned for the expanded classification is because they buy Washington grapes and don't like having to put Washington on their wine labels. If the proposal as written is approved, i.e., allowing wineries in Oregon to use the Columbia Valley Appellation on their labels, an Oregon winery could then buy from any Washington grower and refer to the wine simply as Columbia Valley wine (no longer would they need to identify it as Washington). The possibility of wines coming from the Willamette Valley for example, with Columbia Valley Appellations, in addition to all the Washington wineries using the same designation, will confuse and depreciate the meaning and intent of the Appellation.

Obviously, the proposal as written will dilute our state's efforts to inform the public about the quality of Washington wines. But more seriously, there is no way that the wine consumer can benefit from this form of deceptive marketing, which will only serve to further confuse the wine purchasing decision.

I strongly support the limitation of the Columbia Valley Appellation to the Columbia River as the Southern border so that our Washington wines can be exclusively identified with this great viticultural region. Such an opportunity will greatly enhance the success of our marketing program.

Sincerely,

M. Keith Ellis

M. Keith Ellis
Director

MKE:jd

Chateau Ste Michelle

Allen C. Shoup
Vice President
Marketing/Corporate Planning

One Stimson Lane
Woodinville, Washington 98072
206/488-1133

February 29, 1984

Mr. Charles Bacon
Research and Regulations Branch
Bureau of Alcohol, Tobacco and Firearms
Washington, D.C. 20226

Dear Mr. Bacon:

Having talked to our attorney Ray Williams recently, I learned that the attached information was never made clear in our initial proposal for the Columbia Valley Appellation. If you would like further elaboration such as topographical maps, climatic data, etc., we will certainly make every attempt to meet your requirements.

Please let me know what additional information will be helpful.

Sincerely,

Allen Shoup

Allen C. Shoup

dmg

Chateau Ste Michelle

MEMORANDUM

To: Allen Shoup

From: Wade Wolfe

Date: February 6, 1984

RE: COLUMBIA VALLEY APPELLATION

With regards to the proposed Columbia Valley Appellation, I would like to address the validity of including Oregon. A critical geographical feature of Dr. Walt Clore's and my proposal is the east-west basaltic uplifts that provide generally south facing slopes. These slopes are critical to the successful culture of vinifera wine grapes due to the region's cool growing season and relatively extreme winters. The south slopes increase interception of solar radiation in the summer and promote air drainage during the winter. The first characteristic assures proper fruit maturity by increasing Heat Units, while the second reduces winter injury by moderating minimum temperatures. The importance of this feature is demonstrated in the fact that essentially all vinifera vineyards located in eastern Washington are on these south facing land forms.

If one inspects that part of Oregon proposed for inclusion (see USG5 1:250,000 map "Pendleton"), however, it is readily seen that it slopes north to the Columbia River. This is further demonstrated by the direction of flow of water drainages. Although there are small localized sites with southern slopes, they run contrary to the general land mass. I therefore argue that the disposition of northern Oregon is contrary to a basic geographical premise of the Columbia Valley Appellation.

MEMORANDUM

TO: TRW
FROM: JMS
DATE: 16 April 1984
RE: Columbia Valley Viticultural Area

Those Oregon winegrowers who claim that Oregon should be included in the proposed Columbia Valley Viticultural Area want to have it both ways. If included in the area, they benefit greatly from the substantial time and money that the Washington producers will spend on promotion, but will not have to inform the public, as they now do, that the grapes in the wine were grown in Washington. For this reason, their inclusion in the proposed area will totally confuse rather than educate, the consumer, a result which is diametrically opposed to the purpose of the viticultural area scheme in the first place and which, in addition, violates Oregon law. And, interestingly, if they actually use the Columbia Valley Viticultural Area designation on their wine labels, they would be in open violation of both Oregon and federal wine labeling regulations. Here's why.

Oregon labeling Regulations (Attachment 1) apply, by their terms "...to all still [vinifera] grape table wines produced or bottled in Oregon..." (Emphasis added)(Regulation 845-10-292(1)). The rules regarding appellations of origin are clear. Wines may only bear the appellations which the regulation specifically lists. These are: the individual counties of Oregon, "Oregon", the states of the United States, "American", foreign countries, and "[t]hree 'viticultural regions' identified as 'Willamette Valley'...; 'Umpqua Valley'...; and 'Rogue Valley'...." (Regulation 845-10-292(6)(c)(B)).

This regulation is in clear conflict with federal regulations in the same area. For example, it proposes to permit the use of viticultural area designations which ATF has not approved (or even considered for that matter) and which are thus not found in 27 CFR Part 9. Likewise, it prohibits, for wine bottled in Oregon, viticultural area designations which ATF has approved. This will include, of course, the Columbia Valley viticultural area designation if and when ATF approves it.

(ATF recently issed T.D. ATF-162, which added "Wilamette Valley" to its list of approved viticultural areas, effective January 3, 1984. (See 27 CFR §9.90). Although I have not

compared maps showing the boundaries of the ATF area and the area of the same name defined in the Oregon regulation, it is clear from reading the descriptions that the areas are not identical.)

By the terms of 27 CFR §4.25a(e)(3)(v) (Attachment 2) a wine label may only carry a viticultural area appellation if, inter alia, "the wine conforms to the laws and regulations of all of the States contained in the viticultural area." If a wine label violates a regulation of the place of production, this section elevates state law and regulation to the level of federal regulation and thus creates a coterminal violation of federal rules. The Oregonians, however, have inadvertently backed themselves into a corner since their regulations in this area are inconsistent with those of ATF. How can ATF approve, for interstate sale, a label which contains a viticultural area designation (e.g., "Rogue Valley") which the Bureau does not recognize? How can the Bureau permit an Oregon wine to bear an appellation of origin which is not legal under Oregon regulations (e.g., "Columbia Valley"), without, at the same time, sanctioning a violation of 27 CRF §4.25a?

In addition, the resulting confusion violates the Oregon law which prohibits labels on containers of alcoholic liquor (including wine) if the container "...in any way might deceive any customer as to the nature, composition, quantity, age or quality of such liquor." (O.R.S., 1953, Tit. 37, §471.445(1))(Attachment 3).

In short, it seems a shame that the apparent greed of a few Oregon producers, who wish to use a viticultural area appellation ("Columbia Valley") which their own regulations implicitly reject (and the right to their use of which is subject to genuine question on geophysical grounds as well), should prevent the Washington winegrowers from promptly obtaining a Columbia Valley Viticultural Area which is limited, as it should be, to grape growing areas in the State of Washington.

cc: Allen Shoup, General Manager
Chateau Ste. Michelle

(b) *Qualification.*—(1) *American wine.* An American wine is entitled to an appellation of origin other than a multicounty or multistate appellation, or a viticultural area; if: (i) At least 75 percent of the wine is derived from fruit or agricultural products grown in the appellation area indicated; (ii) it has been fully finished (except for cellar treatment pursuant to § 4.22(c), and blending which does not result in an alteration of class or type under § 4.22(b)) in the United States, if labeled "American"; or, if labeled with a State appellation, within the labeled State or an adjacent State; or if labeled with a county appellation, within the State in which the labeled county is located; and (iii) it conforms to the laws and regulations of the named appellation area governing the composition, method of manufacture, and designation of wines made in such place.

(2) *Imported wine.* An imported wine is entitled to an appellation of origin other than a viticultural area if:

(i) At least 75 percent of the wine is derived from fruit or agricultural products grown in the area indicated by the appellation of origin; and

(ii) The wine conforms to the requirements of the foreign laws and regulations governing the composition, method of production, and designation of wines available for consumption within the country of origin.

(c) *Multicounty appellations.* An appellation of origin comprising two or no more than three counties in the same State may be used if all of the grapes were grown in the counties indicated, and the percentage of the wine derived from grapes grown in each county is shown on the label, with a tolerance of plus or minus 2 percent.

(d) *Multistate appellation.* An appelation of origin comprising two or no more than three States which are all contigous may be used, if: (1) all of the grapes were grown in the States indicated, and the percentage of the wine derived from grapes grown in each State is shown on the label, with a tolerance of plus or minus 2 percent; (2) it has been fully finished (except for cellar treatment pursuant to § 4.22(c), and blending which does not result in an alteration of class or type under § 4.22(b)) in one of the labeled appellation States; (3) it conforms to the laws and regulations governing the composition, method of manufacture, and designation of wines in all the States listed in the appellation.

(e) *Viticultural area.*—(1) *Definition.*—(i) *American wine.* A delimited grape growing region distinguishable by geographical features, the boundaries of which have been recognized and defined in part 9 of this chapter.

(ii) *Imported wine.* A delimited place or region (other than an appellation defined in paragraphs (a)(2)(i) or (ii)) the boundaries of which have been recognized and defined by the country of origin for use on labels of wine available for consumption within the country of origin.

(2) *Establishment of American viticultural areas.* Petitions for establishment of American viticultural areas may be made to the director by any interested party, pursuant to the provisions of § 71.41(c) of this title. The petition may be in the form of a letter, and should contain the following information: (i) Evidence that the name of the viticultural area is locally and/or nationally known as referring to the area specified in the application; (ii) historical or current evidence that the boundaries of the viticultural area are as specified in the application; (iii) evidence relating to the geographical features (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas; (iv) the specific boundaries of the viticultural area, based on features which can be found on U. S. Geological Survey (U. S. G. S.) maps of the largest applicable scale; and (v) a copy of the appropriate U. S. G. S. map(s) with the boundaries prominently marked. (For U. S. G. S. maps west of the Mississippi River, if the map name is known, write the U. S. Geological Survey, Branch of Distribution, Box 25286, Federal Center, Denver, Colorado 80225; for U. S. G. S. maps east of the Mississippi River, if the map name is known, write the U. S. Geological Survey, Branch of Distribution, 1200 South Eads Street, Arlington, Virginia 22202; if the map name is not known, request a map index by State from the U. S. Geological Survey at the Arlington, Virginia, address.)

(3) *Requirements for use.* A wine may be labeled with a viticultural area appellation if:

(i) The appellation has been approved under Part 9 of this title or by the appropriate foreign government;

(ii) Not less than 85 percent of the wine is derived from grapes grown within the boundaries of the viticultural area;

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(iii) In the case of foreign wine, it conforms to the requirements of the foreign laws and regulations governing the composition, method of production, and designation of wines available for consumption within the country of origin;

(iv) In the case of American wine, it has been fully finished within the State, or one of the States, within which the labeled viticultural area is located (except for cellar treatment pursuant to § 4.22(c), and blending which does not result in an alteration of class and type under § 4.22(b)); and

(v) It conforms to the laws and regulations of all the States contained in the viticultural area.

[*Added by T. D. ATF-53; as amended by T. D. ATF-84; T. D. ATF-92, effective Sept. 23, 1981.*]

[¶ 21336B]

§ 4.26 Estate bottled (not mandatory before January 1, 1983). (a) *Conditions for use.* The term "Estate bottled" may be used by a bottling winery on a wine label only if the wine is labeled with a viticultural area appellation of origin and the bottling winery: (1) Is located in the labeled viticultural area; (2) grew all of the grapes used to make the wine on land owned or controlled by the winery within the boundaries of the labeled viticultural area; (3) crushed the grapes, fermented the resulting must, and finished, aged, and bottled the wine in a continuous process (the wine at no time having left the premises of the bottling winery).

(b) *Special rule for cooperatives.* Grapes grown by members of a cooperative bottling winery are considered grown by the bottling winery.

(c) *Definition of "Controlled".* For purposes of this section, "Controlled by" refers to property on which the bottling winery has the legal right to perform, and does perform, all of the acts common to viticulture under the terms of a lease or similar agreement of at least 3 years duration.

(d) *Use of other terms.* No term other than "Estate bottled" may be used on a label to indicate combined growing and bottling conditions.

[*Added by T. D. ATF-53.*]

[¶ 21336C]

§ 4.27 Vintage wine. (a) *General.* Vintage wine is wine labeled with the year of harvest of the grapes and made in accordance with the standards prescribed in classes 1, 2, or 3 of § 4.21. At least 95 percent of the wine must have been derived from grapes harvested in the labeled calendar year, and the wine must be labeled with an appellation of origin other than a country (which does not qualify for vintage labeling). The appellation shall be shown in direct conjunction with the designation required by § 4.32(a)(2), in the same size of type, and in lettering as conspicuous as that designation. In no event may the quantity of wine removed from the producing winery, under labels bearing a vintage date, exceed the volume of vintage wine produced in that winery during the year indicated by the vintage date.

(b) *American wine.* A permittee who produced and bottled or packed the wine, or a person other than the producer who repackaged the wine in containers of 5 liters (or 1-gallon before January 1, 1979) or less may show the year of vintage upon the label if the person possesses appropriate records from the producer substantiating the year of vintage and the appellation of origin; and if the wine is made in compliance with the provisions of paragraph (a) of this section.

(c) *Imported wine.* Imported wine may bear a vintage date if: (1) It is made in compliance with the provisions of paragraph (a) of this section; (2) it is bottled in containers of 5 liters (or 1-gallon before January 1, 1979) or less prior to importation, or bottled in the United States from the original container of the product (showing a vintage date); (3) if the invoice is accompanied by, or the American bottler possesses, a certificate issued by a duly authorized official of the country of origin (if the country of origin authorizes the issuance of such certificates) certifying that the wine is of the vintage shown, that the laws of the country regulate the appearance of vintage dates upon the labels of wine produced for consumption within the country of origin, that the wine has been produced in conformity with those laws, and that the wine would be entitled to bear the vintage date if it had been sold within the country of origin.

[*Added by T. D. ATF-53.*]

SUBPART D—LABELING REQUIREMENTS FOR WINE

[¶ 21337]

§ 4.30 General (a) *Application.* No person engaged in business as a producer,

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(C) Any wine for which a standard of identity is prescribed in these rules which through disease, decomposition, or otherwise, fails to have the composition, color, and clean vinous taste and aroma of normal wines conforming to such standard;

(D) Wine of any class or type containing added water, or sugar and water, or sugar and water solution in excess of the quantities expressly authorized for standard wine made from the same kind or kinds of materials as prescribed in section (2) of rule 845-10-280.

(3) Coined names:

(a) The sale in this state of wines, identified on labels or in advertisements by a type or brand designation which implies mixtures of wines for which standards of identity are established in these rules, when such implication is considered by the Commission false or misleading, or which identifying type or brand designation resembles an established wine type name such as "Angelica", "Madeira", "Muscatel", "Port", "Sherry", "Tokay", "Sautern", "Claret", "Burgundy", etc., hereby is prohibited.

(b) The sale of any wine, wine cocktail, or mixed wine drink under any name which by long and general usage has become associated in the public mind as being the name of a drink or beverage made from or with distilled spirits, hereby is prohibited.

(c) The sale of any wine, wine compound, or other beverage of which wine is a component part, under any fanciful or coined name or special trade name unless such name and the label in which such name appears shall first have been submitted to and approved by the Commission, hereby is prohibited.

(d) The display, advertisement, sale, or offer for sale of any wine as a dessert wine which is not in fact a dessert wine is hereby prohibited.

(4) Containers:

(a) The sale of wine in any container originally designed for a product other than wine or in any container the design or shape of which would tend to mislead the consumer as to the nature of the contents, hereby is prohibited.

(b) The sale of wine in containers which have blown, branded, or burned thereon the name or other distinguishing mark of any person engaged in business as a wine producer, importer, wholesaler or bottler, or any person different from the persons whose name is required to appear on the brand label, hereby is prohibited.

(c) The sale of wine in flask containers of less than one-half gallon capacity which are of the same or similar type used for the packaging of distilled spirits is hereby prohibited.

[¶ 4810]

845-10-290 Labeling Requirements for Wines.

(1) Application of this article: No wine shall be offered or kept for sale, or sold, within this state, unless:

(a) Such wine is packaged and such packages are marked and labeled in conformity with the provisions of this article;

(b) The label thereof shall truthfully describe the contents of the container in accordance with the standards of identity and other provisions herein set forth; and

(c) The producer, importer, rectifier, distiller, warehouseman, or wholesaler responsible for labeling shall furnish adequate proof that a valid certificate of label approval for such label has been obtained from the United States Treasury Department, which certificate is unrevoked at the time such wine is offered for sale;

(d) No person shall alter, mutilate, destroy, obliterate, or remove any mark, brand, or label upon wine kept for sale in this state, except for additional labeling or re-labeling for the purpose of compliance with the requirements of federal or state laws or regulations.

(2) Label approval. The Commission will approve the use of wine labels for which a valid Certificate of Label Approval has been obtained from the United States Treasury Department which said certificate remains unrevoked at the time such wine is offered for sale within the State of Oregon; provided, however, that this shall not be deemed to authorize approval of any label for wines which are by law or by these rules prohibited from sale in the State of Oregon.

[¶ 4812]

845-10-292 Labeling of Wines Produced or Bottled in Oregon From *Vitus Vinifera* or Its Hybrid Grapes.

(1) This rule is applicable to all still grape table wines produced or bottled in Oregon from *vitus vinifera* or its hybrid grapes, including restored or unrestored concentrated must of those grapes. When the term "wine" is used in this section, it means still grape table wine. Where a conflict exists between this and other sections of these rules, this section shall prevail.

(2) As used in this section:

(a) "Appellation of origin" means the geographic or political name or location used to identify the place of origin of the grapes used to make a wine. Examples include, but are not limited to, "American", "Oregon", and "Umpqua Valley".

(b) "Semi-generic designation of geographic significance" means a name which identifies wines produced in a certain location, which name has been deemed to designate a class or type of wine from any area. Examples include, but are not limited to, "Burgundy", "Claret", "Chablis", "Chianti", "Marsala", "Moselle", "Rhine Wine" (syn. "Hock"), "Sauternes", and "Haute Sauternes".

(c) "Table wine" means a still grape wine containing 14 percent or less alcohol by volume.

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(3) Use of grape variety names:

(a) Varietal labeling. A person may use the name of a variety of grape as the type designation of a wine only if the wine derives at least 90 percent of its volume from that variety of grape, except that the term "Cabernet Sauvignon" may be used as provided by subsection (4)(a) of this rule.

(b) Other use of grape variety names. Except for varietally labeled wines, no person may mention any grape varieties on a label, or state, imply, or suggest that a wine derives from a certain grape variety or varieties unless:

(A) A complete and contiguous listing of all grape varieties used in the wine appears on the brand label in a uniform type or script size and font, which listing is less prominent than the class of type designation of the wine, and which is arranged according to the descending order of predominance of each grape variety in the wine.

(B) Any additional reference to the names of grape varieties on the label is to the true varieties as listed and does not emphasize any particular variety.

(c) The names of grape varieties shall be limited to those authorized by the Commission. A list of permitted grape variety names shall be maintained at the Commission's Portland office and may be subject to revision upon written request by a licensed winery. The Commission may, at its discretion, seek expert advice prior to authorizing additions or deletions to the list of permitted grape variety names. The use of names which emulate but are not permitted grape variety names is prohibited.

(4) Use of certain terms:

(a) As an exception to subsection (3)(a) of this rule, the term "Cabernet Sauvignon" may be used as a special type designation for a wine deriving at least 75 percent of its volume from *Cabernet Sauvignon* grapes if the only other grape varieties used in its production are *Cabernet Franc, Merlot, Malbec,* or *Petit Verdot.* A complete and contiguous listing of all grape varieties used in the wine must also appear on the brand label, as provided by subsection (3)(b) of this rule.

(b) The term "Riesling" is synonymous with the grape variety name *White Riesling.* Except in names authorized in the list of permitted grape variety names as provided in subsection (3)(c) of this rule, "Riesling" may not be used in conjunction with other words, such as "Franken", "Kleinberger", or names of geographic significance. The term "Riesling" may not be used alone to designate a wine which does not derive at least 90 percent of its volume from the grape variety *White Riesling.* This subsection shall not be construed to prohibit the use by a winery of the term "Johannisberg Riesling" as the class designation of a wine which derives at least 90 percent of its volume from the grape variety *White Riesling* if "Johannisberg Riesling" has been in use by that winery on its approved labels prior to January 1, 1977.

(c) A wine may be labeled "estate bottled" if it is produced by the bottling winery entirely from grapes grown within five miles of, and on property owned or controlled by, the bottling winery. For the purposes of this subsection, "controlled by" refers to property on which the bottling winery has the legal right and responsibility to perform all of the acts common to viticulture.

(5) Semi-generic designations of geographic significance: No person shall use as a class or type designation a semi-generic designation of geographic significance on the label of wines herein identified, nor use a name which implies such a semigeneric designation of geographic significance.

(6) Appellations of origin:

(a) No person shall sell or offer for sale a wine without an appellation of origin appearing on the brand label in direct conjunction with, in the same size of type, and in lettering substantially as conspicuous as, the class and type designation. In no case shall such lettering be smaller than 2 millimeters (or 8-point Gothic until January 1, 1980). The appellation of origin may be immediately preceded by the word "Appellation".

(b) No person shall sell or offer for sale a wine claiming or implying a certain appellation of origin unless 100 percent of the grapes used in its production, including any concentrated or unconcentrated grape juice, were grown within the boundaries of such appellation of origin.

(c) Appellations of origin for wines herein identified are limited to:

(A) The individual counties of Oregon;

(B) Three "viticultural regions" identified as "Willamette Valley" (which shall include all portions of Benton, Clackamas, Lane, Linn, Marion, Multnomah, Polk, Yamhill, and Washington counties); "Umpqua Valley" (which shall include all portions of Douglas County); and "Rogue Valley" (which shall include all portions of Jackson and Josephine counties);

(C) "Oregon";

(D) The states of the United States;

(E) "American";

(F) Foreign countries.

(d) The name of an appellation of origin listed in subsection (6)(c) of this rule shall not used in a brand name, in the name of a winery or in any other manner on a label unless 100 percent of the grapes used to produce the wine were grown within the boundaries of that appellation of origin. However, the name of an appellation of origin may appear in the address of a winery if such address appears in lettering less conspicuous than the appellation of origin. This subsection shall not be construed to pro-

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hibit the use by a winery of a brand name which has been in use by that winery on its approved labels prior to January 1, 1977.

(e) The addition to crushed grapes, must, or wines of concentrated or unconcentrated pure grape juice made from grapes grown outside the place of origin of the wine, as indicated by its appellation of origin, shall require the use of an appellation of origin on the label which encompasses both the origin of the wine and of the grape juice.

(7) Existing stocks of non-conforming labels, approved for use prior to January 1, 1977, may be used by wineries on wines bottled and labeled or packed prior to January 1, 1982.

[¶ 4814]

845-10-294 Use of Wine Spirits, Water, Sugar and Other Sweetening Agents in Wines from *Vitus Vinifera* or its Hybrid Grapes.

(1) This rule is applicable to all still grape table wines produced or bottled in Oregon from *vitus vinifera* or its hybrid grapes, including restored or unrestored concentrated must of those grapes.

(2) The addition of wine spirits to musts or wines identified in section (1) of this rule is prohibited.

(3) The addition of water to musts or wines identified in section (1) of this rule is prohibited, except as necessary to flush equipment.

(4) Use of sugar and other sweetening agents:

(a) Until December 31, 1981, sugar or other sweetening agents, including concentrated or unconcentrated pure grape juice, may be added to crushed grapes or musts to raise their total solids content by not more than 5° Brix, as measured prior to any addition of sweetening agents. After December 31, 1981, sugar or other sweetening agents may be added to crushed grapes or musts to raise their total solids content by not more than 2° Brix, as measured prior to any addition of sweetening agents.

(b) Until December 31, 1981, sugar or other sweetening agents, including concentrated or unconcentrated pure grape juice, may be added to wines to raise their reducing sugar by not more than 5 percent. After December 31, 1981, sugar or other sweetening agents may be added to wines to raise their reducing sugar by not more than 2 percent. Wines may be sweetened in excess of these limits by the use of concentrated or unconcentrated pure or fermented grape juice.

(c) The limits for addition of sugar and other sweetening agents described in subsections (4)(a) and (b) of this rule may be exceeded upon approval by the Commission.

[¶ 4820]

845-10-300 Permits for Importation and Sale of Wines.

(1) Application of this section. The importation or sale within this state of any produce designated as wine, unless the producer or importer thereof first shall obtain from the Commission a permit as provided in this article, is hereby prohibited. Permits for the importation of wine containing not more than 21 percent alcohol by volume shall be issued upon application therefor inform approved by the Commission. Such wine after importation shall be held at the place designated in the permit by the owner thereof in accordance with the law and the terms of the permit after being delivered to the location specified in the permit shall not thereafter be transported or removed from such location or exported from the state except in accordance with written authorization of the Commission.

(2) Wine produced in Oregon. Wineries or farmer's wineries shall make application to the Oregon Liquor Control Commission (Wine Form No. 5) for a release for sale of wine produced within the State of Oregon. When the Commission is satisfied, by sample or analysis, that such wine conforms in all respects to the standards fixed and determined by the laws of the State of Oregon and the regulations of the Commission, a release permit may be issued. Release permits shall be retained by the licensee for not less than two years and shall be open to inspection by authorized representatives of the Commission.

(3) Wine produced in other states:

(a) Application (Wine Form No. 1) for an importer's permit is to be filled out in detail by the importer (winery or wholesale wine licensee). The Commission at its discretion may require the submission of samples prior to consideration of issuance of importer's permit. When the Commission is satisfied that the wine sought to be imported conforms to the standards of type, age, soundness, and general quality fixed and determined by the laws of the State of Oregon and the regulations of the Commission, an importer's permit may be issued.

(b) Upon receipt of the merchandise, a certified copy of the invoice, a copy of the bill of lading, and the original importer's permit shall be forwarded immediately to the Oregon Liquor Control Commission. Application then may be made for the release of the merchandise for sale within the State of Oregon. A release for the sale of wine may be issued by the Oregon Liquor Control Commission when it is satisfied, from sample or analysis, that said wine conforms in all respects to the standards fixed and determined by the laws of the State of Oregon and the regulations of the Commission. Release permits shall be retained in the licensee's files for not less than two years and shall be open to inspection by authorized representatives of the Commission.

(c) No permit for the importation of wine shall be issued to a licensee who is delinquent in tax payments or in furnishing any information required by law or these regulations.

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mash for the purpose of manufacturing wine or beer for home consumption as provided for in ORS 471.205.

[¶ 7311]

(2) No distillery shall be set up or operated in this state for the purpose of manufacturing alcoholic liquor for beverage purposes except by a person duly licensed under the Liquor Control Act to operate a distillery. Any device or process which separates alcoholic spirits from any fermented substance shall be regarded as a distillery. A distillery is set up when the still is in position over a furnace, or is connected with a boiler, so that heat may be applied, although the worm or worm tank is not in position.

[¶ 7312]

(3) The finding of any mash, wort, wash or distillery in any house, on any premises or within any inclosure, is prima facie evidence that it was made and fermented by, or set up by, and the property of, the person who is in possession of such house, premises or inclosure.

[¶ 7316]

Sec. 471.445 Mixing liquors or selling liquor in misleading container.

(1) No licensee shall use or allow the use of any mark or label on the container of alcoholic liquor which is kept for sale, if the container does not precisely and clearly indicate the nature of its contents or in any way might deceive any customer as to the nature, composition, quantity, age or quality of such liquor.

[¶ 7317]

(2) No licensee other than a winery licensee may mix or permit the mixing of any alcoholic liquor which he is authorized to sell with any other alcoholic liquor which he is not authorized by his license to sell.

[¶ 7321]

Sec. 471.450 Sale of liquor on election day. [*Repealed by L.* 1971, *Chap.* 116.]

[¶ 7325]

Sec. 471.452 Selling liquor at both wholesale and retail prohibited.

Excepting persons holding a winery license, no licensee of the commission shall sell or engage in the business of selling alcoholic liquors both at wholesale and retail.

[*Sec.* 471.452 *as amended by L.* 1979, *Chap.* 264, *approved June* 20, 1979, *effective Oct.* 3, 1979.]

[¶ 7329]

Sec. 471.455 Manufacturer or wholesaler having interest in retail licensee's business.

Except as permitted under ORS 471.456, 471.465 or subsection (2) of this section:

(1) No manufacturer or wholesaler of any alcoholic liquor, and no officer, director or substantial stockholder of any corporate manufacturer or wholesaler of alcoholic liquor, shall have any right, title, lien, claim or interest, financial or otherwise, in, upon, or to the premises, equipment, business or merchandise of any licensee authorized to sell alcoholic liquors at retail.

[¶ 7330]

(2) A wholesaler of any alcoholic liquor and an officer, director or substantial stockholder of any corporate wholesaler of alcoholic liquor, not licensed in the State of Oregon, may have a right, title, lien, claim or interest, financial or otherwise, in, upon, or to the premises, equipment, business or merchandise of any licensee authorized to sell alcoholic liquors at retail, if the licensed retailer does not sell any brand of alcoholic liquor:

(a) Sold or distributed by the wholesaler; or

(b) Produced by any manufacturer doing business with the wholesaler.

[*Sec.* 471.455 *as amended by L.* 1979, *Chap.* 881; *L.* 1981, *S. B.* 501, *approved and effective Apr.* 27, 1981.]

[¶ 7332]

Sec. 471.457 Spouse of wholesale licensee as retail licensee; restrictions on wholesale licensee.

Notwithstanding the provisions of ORS 471.455, no spouse or family member of a licensee authorized to sell alcoholic liquor at wholesale before January 1, 1965, shall be denied a license for the sale at retail of alcoholic liquor for off-premises consumption, by reason of the family relationship, provided that such seller of alcoholic liquor at wholesale shall not directly or indirectly sell alcoholic liquor at wholesale to his spouse or family member who is licensed to sell alcoholic liquor at retail.

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Lewis & Clark
COLLEGE AND LAW SCHOOL

Office of the President

June 1, 1984

Mr. Charles Bacon
ATF Specialist
Regulations and Procedures Division
Bureau of Alcohol, Tobacco and Firearms
P. O. Box 385
Washington, D.C. 20044-0385

Ref: Additional comment to the notice of proposed rule making--Notice No. 483 for the Columbia Valley Viticultural Area

Dear Mr. Bacon:

This letter is to add further support to the establishment of the "Columbia Valley" viticultural appelation for the Columbia Basin/Inland Empire area and to the inclusion of lands in the state of Oregon as well as the state of Washington in that viticultural area.

The obvious first observation is that a valley has two sides. The "Columbia Valley" has a Washington side of the Columbia River and an Oregon side of the Columbia River as a portion of the proposed appelation area. The valley shares the same climatological, soils, elevation and general geographic features. There are south facing slopes, north facing slopes, west facing slopes and east facing slopes in both the Washington and Oregon portions of the proposed area. Neither state has a monopoly on south facing slopes nor are south slopes the only suitable locations for premium wine grape vinyards. Dr. Walter Clore, the "father" of the varietal wine grape industry in Eastern Washington, and a consultant to many area commercial vinyard operators, recently made three general observations regarding use of area northerly and westerly slopes for growing premium varietal grapes:

1. There are more than adequate degree days and hours of sunlight on northerly and westerly slopes to mature virtually all premium varieties.

Portland, Oregon 97219
Phone: 503-244-6161

2. Northerly and westerly slopes are ideal for the Pinot Noir variety, either for its use in producing premium red wine or for premium sparkling wine.

3. Area northerly and westerly slopes are not more susceptible to winter kill than southerly slopes. The experience of the past, particularly severe, winter has shown that when proper growing practices are used on sites with good air drainage, northerly slopes have no more winter damage than other slopes.

It cannot be successfully argued, then, that the Washington side of the Columbia Valley is uniquely suitable for producing premium varietal wines to the exclusion of the Oregon side of the valley. Wines produced in the Oregon/Washington Columbia Valley will share the same characteristics and properly should be identified as from the same appelation area. From the consumers point of view, of course, this is the purpose of appelations.

We look forward to the establishment of the "Columbia Valley" appelation for this section of Oregon and Washington and to the eventual establishment of a 2,400 acre vinyard and winery on land owned by Lewis and Clark College in this important viticultural area.

Sincerely,

Glenn H. Gregg
Vice President and Special
Assistant to the President

GHG:sr

Sokol Blosser Winery
P.O. Box 199, Blanchard Lane
Dundee, Oregon 97115
(503) 864-3342 or 864-2307

17 April 1984

Rec'd 4-23-84

Mr Steven Higgins, Director
Bureau of ATF
1200 Pennsylvania Ave
Washington, DC 20226

Dear Mr Higgins:

It is my understanding that you or one of your deputies will be attending a workshop in Seattle on the 24th of April. Several of us from Oregon have been invited to attend, and we are looking forward to it.

One item of concern to wineries and growers in both Oregon and Washington is bi-state appelations for viticultural areas. Such an appelation, called Columbia Valley,has been proposed, but has been held up in your office due to some legal questions.

I hope that you will be able to discuss this issue with us next week. The problem has been hanging over us for over a year now, and it would be nice to get it resolved when we are all together.

Sincerely,

William R. Blosser
on behalf of the Regulatory and Legislative Committee of the Oregon Wine Growers Association.

cc: Dave Adelsheim, Chairman Regulatory and Legislative Comm.
Sid Abrams, Wine Institute

Lewis & Clark
COLLEGE AND LAW SCHOOL

Office of the President

September 16, 1983

Chief
Regulations and Procedures Division
Bureau of Alcohol, Tobacco and Firearms
P. O. Box 385
Washington, D.C. 20044-0385

Attention: Notice Number 483

Gentlemen:

This letter is to provide written support for the establishment of the "Columbia Valley" viticultural area in the Columbia Basin/Inland Empire area of Washington and Oregon. We believe such an appelation of origin would have a beneficial affect in identifying wines made from grapes grown in this unique viticultural area.

Lewis and Clark College owns 3,600 acres adjacent to the south shore of the Columbia River in Umatilla County eight miles east of Umatilla, Oregon. The property lies within the boundaries of the proposed "Columbia Valley" viticultural area. Some 2,400 acres of our holding have been identified as suitable for the production of high quality varietal wine grapes. When this acreage is planted and in full production we understand it will be the largest wine grape vineyard in Oregon.

We believe that the "Columbia Valley" appelation will be beneficial in the marketing of grapes and wines produced at this location. We believe further that there is great merit in including lands in both the state of Washington and the state of Oregon in the new appelation area. It is the overall area, rather than the area divided by a state line, that shares unique climatological, soils, elevation and geographical features. The consumer will be better served knowing that wine being purchased originates in the "Columbia Valley" vitacultural area rather than simply the state of Oregon or the state of Washington.

We favor the proposed "Columbia Valley" appelation.

Sincerely,

Glenn H. Gregg
Vice President and Special
Assistant to the President

GHG:sr

Portland, Oregon 97219
Phone: 503-244-6161