



## RODNEY STRONG

V I N E Y A R D S

August 5, 2005

Comment 37

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

Re: TTB Notice 49, Proposed Changes to Vintage Date Requirements

Dear Sir or Madam:

I am writing to express Rodney Strong Vineyards' strong support for the proposed change to the vintage date regulation as set forth in TTB Notice 49.

The regulatory change sought will allow wineries to compete on a level playing field in the world marketplace. As you know, more foreign wine is sold in the U.S. than ever before. Between 2001 and 2004, wine imports to the U.S. increased by 50%. Australian wine sales in the U.S. increased from \$347 million in 2001 to \$973 million in 2004 -- an increase of 180%. Australia now accounts for 27% of the wine imported into the U.S. I believe that the current 95% vintage date regulation significantly contributes to this influx of foreign wines.

While the 95% rule applies to all wines sold in the U.S., TTB is unable to enforce the rule on foreign wineries. It is highly likely that foreign wine imported into the U.S. does not meet the 95% standard but instead meets the producing country's requirement. Australian wine coming in to the U.S. appears to meet Australia's 85% requirement but not our 95% standard. This most certainly provides economic and technological advantages to wines imported from countries that have the lower vintage date percentage requirements.

TTB's proposed regulation is a necessary adjustment to balance competition. U.S. wineries should not continue to be denied the ability currently enjoyed by Australia, New Zealand, and the EU to use 15% of a wine from an older vintage to produce a style more appealing to American consumers. If TTB does not make this change to 85%, U.S. wineries will continue to lose market share to wine producers from other countries that have more flexibility to craft and target wine styles and characteristics that consumers are demanding.

Changing the vintage date requirement to 85% would give all American winemakers the same advantage that Australian, New Zealand and European Union winemakers currently enjoy. Because a "level playing field" is needed for U.S. producers, Rodney Strong Vineyards strongly supports the proposed regulatory change to the vintage date regulations as set forth in TTB Notice 49.

Thank you for your consideration. Please contact me if you have any questions.

Sincerely,

Tom Klein, Proprietor  
Rodney Strong Vineyards