



17 August 2005

COMMENT 50

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

Re: TTB Notice No. 49, Proposed Changes to Vintage Date Requirements

Dear Sir or Madam:

We have been directly and continually involved in the California wine industry for 122 years both as grape growers and winemakers. We have led the expansion in export sales of California wines. We do our own marketing, both internationally and in the U.S. We are fully aware of the situation in the global marketplace. We compete there every day and it grows evermore competitive. We firmly believe that the changes in regulations proposed by TTB Notice No. 49 are badly needed in order to allow our family and our industry to continue to effectively compete for the next 122 years.

The past 20 years has seen a dramatic increase in California shipments around the world, as well as increased competition in our home market. No matter what one's opinion is of globalization, it is here to stay and the California wine industry needs to be able to effectively compete. We are losing market share at home and are not as competitive internationally because of the 95% vintage requirement. We need to level the playing field.

Because of the nature of enforcement between countries, it is impossible to verify that foreign suppliers are meeting the U.S.'s 95% standard. The current de facto international standard is 85%. How much wine entering the U.S. market is not to U.S. standard? We are also negotiating harmonization treaties with a number of countries with the World Wine Trade Group being the principal focus at the moment. It only makes sense for the U.S. to move to the 85% standard as part of the harmonization process. We need to level the playing field.

Lastly, besides the economic and enforcement issues, California suffers under the current 95% standard from not being able to create some of the wine styles that the consumer is

seeking. It is our opinion that we would be able to make better quality wines with the 85% standard. The consumer today is all about quality and value. That is what California should be all about. We need to level the playing field.

Once again, I emphasize our strong support for the changes proposed in TTB Notice No. 49.

Thank you for your time and attention to the above. Do not hesitate to contact me should you have any questions.

Sincerely

A handwritten signature in black ink, appearing to read "E. Wente", is centered on the page. The signature is fluid and cursive.

Eric P. Wente
Chairman