

June 23, 2003

Mr. William H. Foster
Chief, Regulations and Procedures Division
Tax and Trade Bureau
Room 5000
650 Massachusetts Avenue, N.W.
Washington, D.C. 20226

Re: Notice No. 954 – Organic Claims in Labeling and Advertising of Alcohol Beverages

Dear Mr. Foster:

On behalf of the Distilled Spirits Council of the United States, Inc. (DISCUS), the Wine Institute and WineAmerica, we welcome the opportunity to respond to the Tax and Trade Bureau's (TTB) notice of proposed rulemaking regarding organic claims in the labeling and advertising of alcohol beverages. (67 Fed. Reg. 62860 (October 8, 2002).)

In this rulemaking process, TTB has stated that ingredient labeling would be required if an organic claim statement was made on an alcohol beverage label or in an alcohol beverage advertisement. TTB, however, does not require ingredient labeling for alcohol beverage products, nor does the Agricultural Marketing Service (AMS) of the Department of Agriculture that is in charge the National Organic Program (NOP).

As evidenced in the attached letter, AMS has made it infinitely clear that ingredient statements are not required for alcohol beverage products by either the Organic Foods Production Act or the NOP regulations. The Administrator of AMS, Mr. Yates, also correctly recognizes that any such requirement is within TTB's jurisdiction, not within Agriculture's jurisdiction. On this very point, Mr. Yates emphasized that "we [AMS] will not require ingredient statements where they are not otherwise required."

We urge TTB to alert industry of the above-referenced facts via the Bureau's website or by other means to correct any confusion that has been created. Further, TTB has issued several Certificates of Label Approval (COLAs) for organically-produced alcohol beverage products that automatically would expire because the labels for those products do not have an ingredient labeling statement. (Attached hereto is an example of such a COLA.) Given that there is no ingredient labeling requirement, TTB should notify the holders of those COLAs that their COLAs will remain in effect and will not expire. This action will avoid unnecessary paperwork for both TTB and affected industry members.

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Thank you for the opportunity to offer these comments. If you have any questions concerning our submission, please do not hesitate to contact us.

Sincerely,

Robert P. Koch
Senior Vice President
Wine Institute

William Nelson
Vice President
WineAmerica

Lynne J. Omlie
Senior Vice President
Distilled Spirits Council of
the United States, Inc.

Enclosures



United States
Department of
Agriculture

JUN -9 2003

Marketing and
Regulatory
Programs

Agricultural
Marketing
Service

Washington, DC
20250

Mr. Robert P. Koch
Senior Vice-President
Wine Institute
Suite 580
601 13th Street, N.W.
Washington, D.C. 20005

Dear Mr. Koch:

This letter is a follow-up to our discussion on June 4, 2003, with you and your colleagues, Bill Nelson and Lynne Omlie, concerning the labeling of organic wine.

We have reviewed both the National Organic Program (NOP) final regulations as well as the authorizing legislation, the Organic Foods Production Act of 1990 (Act). These are our findings: 1) The Act does not explicitly require the use of an ingredient statement; 2) The regulations require under section 205.303(b)(1) that agricultural products in packages described in section 205.301(a) and (b) must, for products labeled "organic," identify each organic ingredient in the ingredient statement; 3) The regulations require under section 205.304(b)(1) that agricultural products in packages described in section 205.301(c) must, in the ingredient statement, identify each organic ingredient; and 4) The regulations do not explicitly require an ingredient statement.

Most food and beverage products are required to display an ingredient statement, under a variety of existing legislative authorities overseen by several Federal agencies. For labeling purposes, it does appear that alcohol beverages are treated somewhat uniquely among food and beverage products. It is our understanding that labeling of alcohol beverages is defined in Title 27 Code of Federal Regulations (Parts 4, 5, and 7) under the Federal Alcohol Administration Act, as administered by the Tax and Trade Bureau (TTB), formerly the Bureau of Alcohol, Tobacco, and Firearms, with ingredient statements not required.

As we explained in our meeting with you, we have a responsibility to ensure that the integrity of the organic label and the standards that define an organically produced product are not undermined or weakened. While an ingredient statement may not be required by TTB for alcohol beverages, any label claims using the word "organic" must be used truthfully, not mislead consumers, and must fully comply with the standards which define organic as published in the final regulations (7 CFR Part 205). The organic management plan of a producer



Mr. Robert P. Koch

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of organic alcohol beverages must fully disclose to an accredited certifying agent the process of manufacture, including any materials used to produce an organic alcohol beverage, in order to demonstrate how an organic label claim fully complies with the NOP, including the National List of approved or prohibited materials.

It is not our intention to conflict with, overlap, or duplicate existing regulatory requirements as promulgated by the several Federal agencies that have jurisdiction over the labeling of agriculturally-related products. Consequently, we will not require ingredient statements where they are not otherwise required. We will continue to expect that producers of alcohol beverages will comply with all other applicable requirements of the NOP, including but not limited to the requirements on handling, labeling, and the use of substances, methods, and ingredients; and that they will provide necessary substances, methods, and ingredients information to organic certifying agents.

We will inform all accredited certifying agents, as well as our colleagues at the TTB, by a copy of this letter that while the NOP standards remain unchanged, ingredient statements are not required on alcohol beverages so as not to conflict with, overlap, or duplicate existing regulatory requirements as promulgated by the several Federal agencies that have jurisdiction over the labeling of agriculturally-related products. This action will not change our Memorandum of Understanding with TTB delineating the enforcement responsibilities of each agency with respect to the labeling and advertising of alcohol beverages produced under the Act and for other related purposes.

Thank you again for the opportunity to visit with you and your colleagues.

Sincerely,



A. J. Yates
Administrator

cc: USDA Accredited Certifying Agents
Ms. Lynne Omlie ✓
Mr. Bill Nelson

1003 343

OMB No. 1512-0092 (06/30/2004)

FOR ATF USE ONLY		
ID	02288-000-000274	
CT	81 OR 01	AP

DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
APPLICATION FOR AND CERTIFICATION/EXEMPTION OF LABEL/BOTTLE APPROVAL
(See Instructions and Paperwork Reduction Act Notice on Back)

PART I - APPLICATION

1. VENDOR CODE (Required)	2. SERIAL NUMBER (Required)
2 8 9 6	YEAR 0 2 7 0 2
3. BRAND NAME (Required) Bonterra Vineyards	
4. CLASS AND TYPE (Required) (Includes wine varietal designation, if applicable) Table Wine / Viognier	
5. FANCIFUL NAME (if any)	
6. PLANT REGISTRY/BASIC PERMIT NO./BREWER'S NO. (Required) BW CA 5429	

7. NAME AND ADDRESS OF APPLICANT AS SHOWN ON PLANT REGISTRY, BASIC PERMIT OR BREWER'S NOTICE (Required)

FETZER VINEYARDS dba BONTERRA VINEYARDS
12625 East Side Road
Hopland, Mendocino County, CA 95449
Bonded Winery No. BW CA 5429

7a. MAILING ADDRESS, IF DIFFERENT

Fetzer Vineyards
P.O. BOX 611
Hopland, CA 95449-0611

8. FORMULA NO. (if any)	9. LAB. NO./DATE	10. NET CONTENTS 750ml	11. PHONE NUMBER (707) 7447600	16. TYPE OF APPLICATION (Check applicable box)
				a. <input checked="" type="checkbox"/> CERTIFICATE OF LABEL APPROVAL
12. AGE (Distilled Spirits)	13. ALCOHOL CONTENT 13.6	14. VINTAGE (Wine products only, if stated on label) 1999	15. FAX NUMBER (707) 7447588	b. <input type="checkbox"/> CERTIFICATE OF EXEMPTION FROM LABEL APPROVAL. For sale in _____ only (FW in State abbreviation)
				c. <input type="checkbox"/> DISTINCTIVE LIQUOR BOTTLE APPROVAL. TOTAL BOTTLE CAPACITY BEFORE CLOSURE (FW in amount)

17. SHOW ANY WORDING (a) APPEARING ON MATERIALS FIRMLY AFFIXED TO THE CONTAINER (e.g., caps, celloseals, corks, etc.) OTHER THAN THE LABELS AFFIXED BELOW, OR (b) EMBOSSED ON THE CONTAINER. THIS WORDING MUST BE NOTED HERE EVEN IF IT DUPLICATES PORTIONS OF THE LABELS AFFIXED BELOW. ALSO, PROVIDE TRANSLATIONS OF FOREIGN LANGUAGE TEXT APPEARING ON LABELS.

Cork Printing: BONTERRA
Capsule Printing: None

PART II - APPLICANT'S CERTIFICATION

Under the penalties of perjury, I declare: that all statements appearing on this application are true and correct to the best of my knowledge and belief; and, that the representations on the labels attached to this form, including supplemental documents, truly and correctly represent the content of the containers to which these labels will be applied. I also certify that I have read, understood and complied with the conditions and instructions which appear on the reverse of an original ATF F 5100.31, Certificate/Exemption of Label/Bottle Approval.

18. DATE OF APPLICATION 10/10/02	19. SIGNATURE OF APPLICANT OR AUTHORIZED AGENT <i>Lindsay A. Ivy</i>	20. TYPE NAME OF APPLICANT OR AUTHORIZED AGENT Lindsay A. Ivy
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PART III - ATF CERTIFICATE

This certificate is issued subject to applicable laws, regulations and conditions as set forth on the back of this form.

21. DATE ISSUED OCT 17 2002	22. AUTHORIZED SIGNATURE, BUREAU OF ALCOHOL, TOBACCO AND FIREARMS <i>James G. Van W...</i>
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FOR ATF USE ONLY

QUALIFICATIONS

This certificate may only be used for products that were made with non-National Organic Program (NOP) organic ingredients grown prior to October 21, 2002.

EXPIRATION DATE (if any)
10/1/04

AFFIX COMPLETE SET OF LABELS BELOW

Copies of CCOF certificates are attached for your review in accordance with our organically grown grapes statement.



BONTERRA VINEYARDS
1999 MENDOCINO COUNTY VIIGNIER
Nothing contributes more to making great wines than purity of fruit. Our organically grown Viognier benefits from the hospitable climate of Mendocino County in the development of perfectly ripe, flavorful grapes. Great care is taken to preserve the exotic peach-apricot flavors in this well-balanced Viognier so that oak is a very subtle accent.

ROBERT BLUE *R.B.* WINEMAKER

GRAPES GROWN ORGANICALLY IN ACCORDANCE WITH THE CALIFORNIA ORGANIC FOODS ACT OF 1990. FOR MORE INFORMATION ON BONTERRA WINES, PLEASE SEE OUR WEBSITE AT WWW.BONTERRA.COM
PRODUCED AND BOTTLED BY BONTERRA VINEYARDS, HOPLAND, MENDOCINO COUNTY, CALIFORNIA

750 ML CONTAINS SULFITES
GOVERNMENT WARNING: (1) ACCORDING TO THE SURGEON GENERAL, WOMEN SHOULD NOT DRINK ALCOHOLIC BEVERAGES DURING PREGNANCE BECAUSE OF THE RISK OF BIRTH DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.

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ALC. 13.6% BY VOL.