

*Letter on
Alcohol labeling*

Congress of the United States
Washington, DC 20515

January 25, 2008

The Honorable Hank Paulson
Secretary of the Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

RE: Alcohol and Tobacco Tax and Trade Bureau (TTB) Notice No. 73

Dear Secretary Paulson:

The recent proposed rulemaking from TTB (Notice No. 73) represents a major change in alcohol labeling policy and could lead to the most significant revisions in wine label requirements in the history of the American wine industry. We recognize TTB's regulatory responsibility and its desire to provide consumers with useful information. However, we are very concerned that as written, this proposed rule could have a severely detrimental impact on the wine industry, while at the same time not really providing new or useful information for consumers.

As co-chairmen of the Congressional Wine Caucus, we have seen first hand the explosive growth that has occurred in the domestic wine industry over the last ten years. In that time the number of commercial wineries across the country has more than doubled to over 5,000 and the annual economic impact of the industry has grown to well over \$100 billion. Roughly 98% of these wineries are small businesses and many of them are family-owned and operated.

Additionally, we believe that there is little concrete evidence to suggest that consumers need or want additional nutritional or caloric information when making decisions regarding wine consumption. It is incumbent upon TTB to balance whatever limited benefit this additional information may provide with the added burden these regulations would place on wineries and in particular smaller wineries.

Mandating serving fact information on wine labels would place an unreasonable burden on wineries and therefore TTB should make inclusion of such information voluntary, not mandatory. By requiring serving fact panels and nutritional analysis of all wines, TTB would be forcing significant new costs and production problems on wineries. The laboratory costs for the analysis combined with the added costs of newly designed labels could easily reach into the hundreds of thousands of dollars for a medium sized winery. The fact that TTB has proposed a 3 year phase in for these requirements does not eliminate this burden. At a minimum, should TTB move forward with requiring nutritional information on labels, it should allow for the use of typical values that encompass broad tolerances which would minimize the added costs and production disruptions.

The Honorable Hank Paulson

January 25, 2008

Page 2

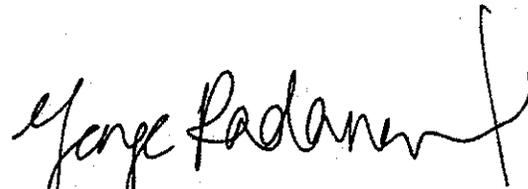
As to the issue of alcoholic content labeling, we support TTB's decision to end any effort to define a "standard drink" and believe that TTB should continue its long standing requirement that alcoholic content be measured and labeled as a percentage of total volume. Given the fact that there is no clear definition of a standard drink, it makes little sense to allow for the use of what could be misleading or confusing information such as an equivalency graphic or a "fluid ounces per serving" statement.

As you move forward with this process we hope that you will keep in mind the many unique factors that impact the thousands of American wineries across the country. Further we ask that you do everything in your power to minimize the burden that any final regulations would place on this diverse, growing industry. We are confident that you can accomplish this goal while at the same time upholding your responsibility to the public.

Sincerely,



MIKE THOMPSON
Member of Congress



GEORGE RADANOVICH
Member of Congress

cc: Mr. John Manfreda, Administrator, TTB

cc: Mr. Frank Foote, Director, Regulations and Rulings Division, TTB