



Umpqua Valley Winegrowers Association
PO Box 447 Roseburg, OR 97470

April 4, 2019

VIA EMAIL TO sjud.exhibits@oregonlegislature.gov

Oregon Senate Judiciary Committee
900 Court Street NE
Salem, OR 97301

Re: Opposition to SB 111-4

Dear Senators,

The Umpqua Valley Winegrowers Association represents 28 wineries, over 70 vineyards that encompasses over 2000 acres of vineyards. We oppose SB111-4 due to the impact it will have on our vineyards and wineries. This bill is unnecessary and creates winners and losers through regulatory uncertainty. It will divide the Oregon wine industry while taking OLCC attention away from more significant issues.

The comments below address our opposition to specific sections of the proposed -4 amendments.

Sections 1 and 2, wine “content standards” rulemaking: The rulemaking mandate would harm the Oregon wine industry by placing a cloud of regulatory uncertainty over our businesses. The increase of penalties to \$25,000 in addition to suspension could be devastating to small wineries for even minor infractions. Section 2 creates a complaint driven system that encourages those wineries who desire the specific labeling rules mentioned in this section of the bill to complain about other wineries in order to manufacture demand for the rules. This is a recipe for conflict and would divide the Oregon wine industry.

Sections 3 and 4, grape tax: While we support the collection of grape tonnage tax from all wineries and growers there is a much easier way to achieve this goal. The existing statute requires all wineries to pay the tax. We feel a simple change to the Oregon Wine Board Tax Report form Column E could alleviate this problem.

Section 5, interstate enforcement agreements: We support enforcement of existing federal and state wine labeling laws and are not opposed to OLCC entering into agreements with other states for this purpose. Oregon winegrowers, however, should not be penalized by new labeling rules if the State of Oregon is not successful in reaching desired interstate agreements. This creates an uncertain regulatory environment that harms our industry by creating too much risk for buyers of our fruit and bulk wine.

Section 6, additional OLCC rulemaking authority: Existing OLCC rules prohibit false and misleading alcohol advertising. See OAR 845-007-0020. We are against deceptive wine labels and support enforcement of existing federal and state laws.

Regards,
Terry Brandborg
President
Umpqua Valley Winegrowers Association