



Virginia Wineries Association Newsletter

www.vawine.org

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Mark your Calendar

June 5 & 6
Vintage Virginia

August 28
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due

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Seminars

Your Contact Information

We are working
on updating our
database and need
your help. A request for
updated information
has been mailed,
please assist us by
completing it and
returning it to us.

**Help us serve you
and return your
form today!**

GOVERNOR'S CUP

**Look for more
information
coming soon on
the next
Governor's Cup
Entries. We will**



VVA Launches New Website!

Today was the launch of the new website. Visit today and find out all that is new! More to come, so visit often!

www.vawine.org

- Check out our Preferred Partners
- Get the latest News on the Wine industry with our news feed
- Locate our new offices
- Stay up to date with our interactive calendar
- Visit the Industry Links page for useful tools
- Check out the New Winery Check List
- Find Past Newsletters
- Upload photos and see them in the next newsletter
- AND MORE!

The Compliance Corner

By Mary Beth Williams

Direct Shipping Once Again in the Spotlight

A guest in your tasting room asks you to ship wine to Maryland. When you let them know it's illegal to ship to Maryland, they respond with "but the winery down the road does..." It's hard to compete with a neighboring winery that doesn't follow the law. It's even harder to turn down a sizeable sale just because the buyer lives in a state where you're not licensed (or it's prohibited) to ship. However, for the sake of your business and the industry as a whole, it's important to stay compliant with it comes to shipping to consumers in other states.

Most states are using a permit system, requiring your winery to be licensed in that state before you ship to consumers. Remember that most states also have requirements that approved shipping companies report their deliveries of alcoholic beverages, which includes where the delivery came from and to whom it was delivered. States ARE crosschecking this information, and if UPS makes a delivery from your winery and you are not licensed as a direct shipper in that state, you will quickly receive a letter from the state ABC board outlining what statutes your actions violate. Remember as well that violations of other

do a special announcement.



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Please feel free to call the Association Management Staff if we can be of service.

Sincerely,

Laurie Aldrich
804-592-3196

states' alcohol laws can impact your ABC permit or even your federal Basic Permit. TTB Ruling 2000-1 indicates that TTB can take administrative action against your Basic Permit for violations of state law, including direct shipping laws.

Many wineries "roll the dice" with respect to shipping into other states, choosing to take the chance that they won't be caught, hoping to get away with a warning if they get licensed after they've been caught. As you've likely heard, there is federal legislation on the table that was proposed by the beer wholesalers' association (and joined in by the wine wholesalers' association) pushing to force alcohol cases out of federal jurisdiction and back to the states, where the wholesalers' lobbyists have very loud voices. If passed, the states could revert to some of the laws that gave preference to the wineries in their own state, and disallow shipping by out of state wineries to consumers in those states. Worse for the Virginia wineries, this legislation would likely cause some of the states on the cusp of allowing direct shipping (like Maryland) to hold back on those decisions.

Direct shipping works because the wine industry plays by the rules. The states' biggest policy concerns with direct shipping are that it makes it too easy for alcohol to get into the hands of minors, and that it's too difficult for the states to ensure that they're appropriately regulating and collecting taxes from out of state wineries, over which they have significantly less control than their own home state wineries. The legislators will be looking very closely at the number and nature of violations in the states that already allow direct shipping. This is the time for the wine industry to show that it is responsible and compliant with the laws that already exist. Check your sales records; see where you've had sales or have shipped wine but aren't licensed. Think hard about getting licensed in those states. You can see the requirements for licensing and reporting associated with the various states on the resources page of our website, www.williamscompliance.com, and, as always, contact us with any questions. In an effort to make the decision the process a little less painful, Williams Compliance will be cutting 40% off our fees for direct ship license applications through the end of July.

Mary Beth Williams is the President of Williams Compliance, a compliance services provider based in Hanover County, Virginia. For more information, contact Mary Beth at Marybeth@williamscompliance.com or (804) 445-2924.

Legislative Update

Legislative Issues at the Federal Level

As many of you have heard, the National Beer Wholesalers of America have introduced a bill (HR 5034) which would exempt alcohol from the Commerce Clause and provide antitrust exemptions. This would allow states to pass discriminatory and protectionist alcohol laws without concern for the Commerce Clause or other Federal constraints. It would end the ability of consumers to sue in Federal court to try to open a state to direct shipping. It would make it harder to challenge state laws that discriminate against out-of-state producers and retailers. It could reverse the progress made in direct shipping of wine, and give wholesalers the ability to collude on price, boycott producers they don't like, or allocate markets between themselves according to a joint WineAmerica/Wine Institute fact sheet. In Virginia, Reps Connolly and Nye have already signed on as co-sponsors. Reps Forbes, Goodlatte, Scott and Boucher seem to be leaning in favor of signing on or supporting the bill. If you are represented by any of these Congressmen, we need you to call their office and state your opposition to the bill. Rep Perriello has refused to support this bill, and you should call and thank him. We need to maintain the ability to use the Federal courts to help in the battle to open as many markets as possible to our wine.



Ann Heidig
Legislative Committee Chair

Berry Hill Irrigation

Berry Hill Irrigation serves all of Virginia. They sell Netafim's Best Selling Heavywall Dripperline. It is the Industry Standard for Vineyards, Brambles and where Permanent Tubings are needed. They have a lot of experience with selling and installing this product. Plus, 20 years of assisting customers with their Vineyard Designs. Berry Hill offers the lowest prices on UniRam tubing and have the service to support these prices! UniRam is the most popular emitter-embedded tubing on the market for vineyards. Let us show you how RAM has made vines bear on the 2nd leaf!! Drip is a must with young vines and we have lots of experience to prove it! Recover your irrigation investment in the first year!



As a VWA preferred partner, Berry Hill offers 10% off any order to VWA's Silver and Gold level members. (Discount excludes: plastic mulch, drip tape, equipment, bench tops, injectors and fertilizer.)
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