

**TO:** City Council

**FROM:** James L. App, City Manager

**SUBJECT:** **Proposed Legislation – Conjunctive Labeling:  
Paso Robles Wine Grape Appellation - American Viticultural Area (AVA)**

**DATE:** November 21, 2006

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**NEEDS:** For the City Council to consider joining the Paso Robles AVA Committee and Wine Country Alliance in urging the adoption of State conjunctive labeling legislation.

**FACTS:**

1. An American Viticultural Area (AVA) is a delimited grape-growing region distinguishable by geographic features with boundaries defined by the U.S. Alcohol & Tobacco Tax & Trade Bureau.
2. An AVA must also evidence a name that is locally or nationally known, an area that is legitimate historically, and unique growing conditions (such as climate, soil, elevation, and physical features).
3. The Paso Robles AVA presents these distinctive characteristics and covers an area of approximately 24 square miles (see attached map).
4. AVA designation is important to establish and market wine globally.
5. Just 30% of PRAVA wine sold is identified (labeled) with the “Paso Robles” designation. Nearly 60% of PRAVA grapes are sold for processing outside the area and never identified as to their origin. This represents a great loss of marketing value and regional distinction.
6. The Paso Robles Wine Country Alliance (PRWCA), and its 450 members, invests heavily to promote the brand equity built in the Paso Robles region so that area wines compete effectively in the worldwide market.
7. Grape growing and wine production are the leading agricultural endeavor County-wide and in the Paso Robles area.
8. The industry’s economic impact is considerable and is specifically highlighted in the 2006 Economic Strategy as a key to Paso Robles economic vitality.
9. The P.R. AVA Committee and Wine Country Alliance will present State legislation (through Assemblyman Sam Blakeslee’s Office) to require conjunctive labeling – any wine produced in, or with grapes from, the PRAVA would bear the designation “Paso Robles” on the label (see attached proposed legislation).
10. The Wine Institute, a public policy advocacy association of 975 California wineries and affiliated businesses, endorses the proposed legislation.

**ANALYSIS &**

**CONCLUSION:** The 2006 Economic Strategy highly values, and places strategic importance upon, promotion of the City as a center of high value agriculture and industry. The wine industry is that center focus. The Strategy specifically calls for the City to “showcase the Paso Robles wine appellation and industry as the emerging center of world class wines.” The proposed conjunctive labeling legislation would provide a means to so showcase and leverage the PRWCA’s significant and beneficial investment in brand equity.

**POLICY**

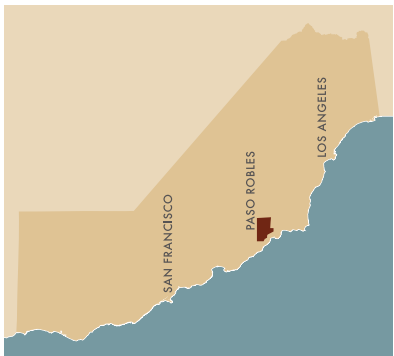
**REFERENCE:** 27 CFR Part 9 (Code of Federal Regulations); 2006 Paso Robles Economic Strategy.

**FISCAL**

**IMPACT:** No direct costs.

- OPTIONS:**
- a. **Authorize the Mayor to Formally Urge the State to Adopt the Proposed Conjunctive Labeling Law.**
  - b. **Amend, Modify or Reject the Option Above.**

Attachments: Paso Robles AVA Map  
Paso Robles Conjunctive Labeling Law (Proposed)



Paso Robles Wine Country is ideally located along California's Central Coast. Situated ten minutes inland over the Santa Lucia Mountains, the region provides optimum growing conditions with warm days and cool nights for growing nearly 26,000 vineyard acres. Benefiting from the state's largest diurnal temperature swing, grapes fully ripen with balanced sugar and acid flavors. The region's vineyards are located throughout the 24-square mile territory, taking advantage of the various microclimates to produce more than 40 different wine varieties. The Paso Robles and York Mountain American Viticulture Areas (AVA) were established in 1983 as recognized and defined by the Alcohol and Tobacco Tax and Trade Bureau (TTB). For more information about Paso Robles Wine Country visit [pasowine.com](http://pasowine.com).

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## **Paso Robles Conjunctive Labeling Law 2007 Proposed Legislation**

### **Section 2524[4]. “Paso Robles” wine label; Designation.**

Any wine labeled with a viticultural area appellation of origin established pursuant to Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations that is located entirely within the “Paso Robles” viticultural area (27 C.F.R. Section 9.84) shall bear the designation “Paso Robles” on the label in direct conjunction therewith in a type size not smaller than 1mm less than that of said viticultural area designation, provided neither designation is smaller than 2mm on containers of more than 187ml or smaller than 1mm on containers of 187ml or less. This requirement shall apply to all wines bottled on or after January 1, 2008.

The department may suspend or revoke the license of any person who violates this section.

### **Section 2524[5]. Wine label; duplication of name designation.**

The provisions of Sections 25240 shall not apply to any wine labeled with a viticultural area appellation of origin established pursuant to Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations, the name of which includes the term “Napa Valley,” and the provisions of Sections 2524[4] shall not apply to any wine labeled with a viticultural area appellation of origin, the name of which includes the term “Paso Robles.”