

June 3, 2005 - Slaughter to NY Legislative Leaders:

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Stand With Consumers in the Fight Over Wine Importation

Washington, DC - Rep. Louise M. Slaughter (D-Fairport), the leading voice in Congress to end bans on direct shipment of wine to consumers in other states, today released a letter co-authored with Rep. James Walsh (R-Onondaga) calling on New York State Assembly Speaker Sheldon Silver and State Senate Majority Leader Joseph Bruno to take strong leadership roles in ensuring the passage of S1490/A7397, which would allow for the direct interstate shipment of wine into and out of New York State.

"Speaker Silver and Majority Leader Bruno have a decision to make. Will they protect the rights of consumers and support New York's growing wine industry or choose to protect the profits of special interests. I hope they do the right thing. It shouldn't be a tough choice," remarked Slaughter.

The U.S. Supreme Court recently ruled that states may not ban, or severely limit, the direct shipment of out-of-state wine, while simultaneously authorizing direct shipment by in-state producers. The Court stated that laws banning direct shipment of wine from out of state are discriminatory and unfair where in-state producers are allowed to ship wines directly to consumers.

At the time of the decision Rep. Slaughter stated, "This is a major victory for New York wineries and for the rights of all consumers. The decision will have a large impact on wineries all over America, but especially here in New York, where we produce over 100 million bottles of wine every year."

This decision by the high court could essentially end the existing ban on the direct shipment of wine to consumers from out of state, assuming the New York State Legislature passes S1490/A7397 which Governor George Pataki has indicated he would sign.

Letter to Silver & Bruno:

June 2, 2005

The Honorable Sheldon Silver

The Honorable Joseph Bruno

Speaker

Majority Leader

New York State Assembly

New York State Senate

Rm. 932 Legislative Office Building

Rm. 909 Legislative Office Building

Albany, NY 12248

Albany, NY 12247

Dear Speaker Silver and Majority Leader Bruno:

We are writing to urge you to each take strong leadership roles in ensuring the passage of S1490/A7397, initiated by Senator George Winner and Assemblyman Herman Farrell, to allow direct interstate shipment of wine into and out of New York State.

The United States Supreme Court decision of May 16 gave New York the choice of "leveling up," by permitting free trade into and out of the state, consistent with our tradition as the Empire State; or "leveling down," by banning all direct shipment, including that of New York wineries to New York consumers. The latter option would have a devastating effect on family farms from eastern Long Island through the Hudson Valley and Finger Lakes regions to Lake Erie, depriving instate customers of the fine wines they are accustomed to buying. The Legislature must pass the Winner/Farrell bill.

Besides the positive economic argument, no evidence exists that direct shipments of wine would produce negative effects for the state. The Court's opinion refuted opponents' arguments that direct shipments would lead to underage access and tax evasion, confirming the results of a major study by the Federal Trade Commission based on actual experience from other states.

As the Congressional representatives of major grape and wine-producing regions, we share the desire of our colleagues in the Legislature to stimulate the continued growth of one of New York's most successful and promising industries. Before the Farm Winery Act of 1976 allowed direct sales to consumer at tasting rooms, there were only 19 wineries throughout New York State; today there are over 200. Today, the wine industry is the fastest growing segment of the state's #1 and #2 industries of agriculture and tourism.

The Winner/Farrell legislation could do on a national level what the Farm Winery Act did on a state level. Not only will sales increase dramatically, but so will New York's well-deserved reputation as a world-class wine region. Right now, many prominent wine writers who love New York wines cannot write about them because their readers may not buy them. That will all change when this legislation is passed, boosting New York's recognition as a great wine region and

creating new investment, jobs, and tax revenues for the State.

You now have the opportunity to put New York in a leadership role among the 50 states, and to foster economic development through enlightened public policy - but time is of the essence. This important legislation must be passed before your June adjournment date for optimum economic impact. New York wineries -- and the fine wines they produce - - deserve to be on an equal footing with their competitors from other states.

Sincerely,

/s

Louise M. Slaughter

James T. Walsh

Member of Congress

Member of Congress

CC: Senator George H. Winner, Jr.

Assemblyman Herman D. Farrell, Jr.