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Chief
Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
PO Box 14412
Washington, DC 20044

Ref: Notice No. 39: Proposed Establishment of Shawnee Hills Viticultural Area 20028-345P

Dear Sir/Madam:

This is in response to TTB's desire for comments on the above petition, particularly negative comments on the impact that approval of the proposed viticultural area would have on existing enterprise.

My particular relationship to the development of viticulture in Illinois was in my capacity at the Office of Economic and Regional Development (OERD), Southern Illinois University at Carbondale. That particular office was, and continues to be, involved in the development and promotion of various types of enterprises in the entire southern Illinois region. I personally involved area legislators and assisted in the drafting of legislation that resulted in the initial state funding of the Illinois Grape and Wine Resources Council.

OERD is not only actively engaged with the development of grape production for the burgeoning winery industry, but also pond aquaculture, regional bike trails and the development of high tech small business enterprises through its business incubator program. My comments concerning the proposed AVA reflect what I believe to be the state of Illinois and Southern Illinois University's desire to promote "regional development" and the environment for such development.

Unfortunately, the Shawnee Hills proposal is the antithesis of what economic development specialists at the state, university and local levels have been attempting to do, not only in the viticulture industry, but also in tourism, attraction of foreign direct investments etc. I have been witness over the past fourteen years to regional rivalries in the tourism industry, creation of TIF's, attraction of manufacturing etc. Instead of working together, various entities (towns, counties, parts of the greater region) have fought over state funding instead of working together for the greater good. Individuals have on occasion exacerbated this with greater political clout in the state's economic development agencies. The same type of conflict occurs as towns and counties fight for locating manufacturing in their particular domain.

OERD has taken a leadership role over the years in sponsoring economic development conferences, strategic planning exercises etc., in an effort to bring about regional support and cooperation, as opposed to local competition, in order to bring enterprises that create jobs and wealth into the region. These efforts have had modest success.

As your agency may be aware, a large number of the counties in Southern Illinois, below Rt. 70, have extremely high unemployment and in general incomes below the state and national averages. The area, while agricultural in nature, (formerly dependent upon coal) does not boast the greatest quality of soil, although there is great homogeneity in the temperate nature of the climate. This is especially true south of Rt. 64. Apple and peach orchards thrive throughout the region, although all types of agriculture experience out years when, we have cold snaps at the wrong time. This is reflected in the saying, "If you don't like our weather now, just wait a few minutes!" This truism is not reflected particularly well in the heat summations presented in the proposal. Having lived in southern Illinois for 40 years, I can say with some surety that there is not a great deal of difference in temperature between the area proposed, especially the areas of Pomona and Alto Pass, and the rest of the region. In fact, prior to prohibition, Illinois had a vigorous *viticulture* industry and the largest crops came from the Low Region V counties noted in the proposal. The proposal gives the impression that the heat and moisture of Region V make it unsuitable for growing grapes.

In personal conversations with the founder of Alto Vineyards, one of the wineries involved in the Shawnee Hills Wine Trail, I remember him talking about mould problems in his vineyard. He worked to develop and bring in varieties that would withstand these problems because they are so universal in southern Illinois (i.e. regardless of minor differences of altitude). Again, the pre-prohibition viticulture industry was centered in areas where the proposal would have one believe that grapes cannot be grown in either quantity or quality. The two principal wineries involved in the petition have a total of about seven acres of grapes. Their success in developing varieties of wine and meeting the burgeoning demand for Southern Illinois wines has been dependent upon many growers outside the proposed AVA. This generates yet another concern.

The future of the viticultural industry in southern Illinois is dependent upon a whole region, not the gerrymandered version being proposed. There are over 80 families of growers in the Greater Shawnee Grape Growers Association, a large percentage of whom will be excluded from the proposed AVA, some by a matter of a few hundred feet! These growers had been actively discussing the creation of a "Greater Shawnee AVA" since the year 2000. It was the vision of the Association to create an AVA that would reach as far North as RT. 70 (what is generally considered the demarcation between southern and central Illinois) or at least RT. 64, which is the northernmost extension of Low Region IV (which has the generally moderate temperatures found throughout SI). It is my understanding that the petitioners have not been desirous of discussing the development of a larger more inclusive AVA. Instead they have somewhat clandestinely pursued a smaller version, which it must be assumed, they feel provides them with some type of advantage. As I noted earlier, I have seen this same type of behavior in the competition for tourism funding, attraction of industry and competition between towns over economic development area designations. These tend to be shortsighted tunnel visions that do not look at the total potential of the region but rather focus upon self-interest.

As the promotion of viticulture in the region began to take shape, I can remember the founder of Alto Vineyards making the offer: "I will buy all the grapes you can produce if you will get into the business." To my way of thinking, that offer not only made sense to the economic development effort at hand. i.e. expansion of the viticulture industry, but it made sense to be as inclusive as possible, bringing land into usage that hitherto had been unproductive, or at least unprofitable. It offered hope to small landowners in the region, most of whom are part-time farmers, the potential of a high dollar crop that would substantially add to their typically low salaried jobs. The success of the Shawnee Hills Trail, which has five wineries, and includes the petitioners, has been dependent upon many of the eighty family growers that are part of the Greater Shawnee Grape Growers Association. Incidentally, there is always difference of opinion within the Association on just about any issue, but there is a great deal of unanimity among members of the association concerning the potentially negative effects of this proposal on the future of the industry in the region.


Personally, I have no horse in this race. I recently retired for the second time for STU in 2003. However, it pains me to see what has been a very successful economic development endeavor, be threatened by a proposal that will make viticulture "less than what it can be." Frankly, one of the petitioners had the vision to start the industry along with the owner of Alto. He understandably feels great ownership. The three other wineries that compose the Shawnee Hills Trail, who I assume see themselves part of the current petition, import large amounts of out-of state- wine and juice concentrates. One of them makes no wine from grapes at all! It is my understanding that AVA's are meant to recognize regional grape growing characteristics and their employment in the production of wine.

Having said all this, I believe there is a solution that would make much better sense from the standpoint of the future of the industry in southern Illinois, The Greater Shawnee Grape Growers Association concurrently developed a proposal that would create what would be known as the "Greater Shawnee American Viticulture Area (AVA). This AVA would utilize the natural boundaries created by the Ohio and Mississippi Rivers on the east and west and Rt. 64 to the north. This would take in another very important federal economic development region (Low Region V—Winkler), which is part of the Lower Mississippi Delta initiative. This includes some of the counties previously mentioned as "pre-prohibition" viticultural areas.

Nothing would preclude the current petitioners from utilizing some other distinctive naming process. For example, the Bordeaux region of France has many vintners. They distinguish themselves with the nomenclature, "Chateau....." or "Chateau Owl Creek" This would eliminate the restrictive and arbitrary boundaries being proposed, boundaries which divide the City of Carbondale in half with growers and wineries on either side of the line. While not affecting labeling, they could also apply to TTB for a Designated Vineyard Endorsement.

The opportunity to express these sentiments and ideas is greatly appreciated. The viticulture industry has great promise for southern Illinois as a whole. The name

"Shawnee" belongs to a region much greater than that being proposed. The opportunities that have been afforded by the state and higher education institutions in the area have come for the benefit of all, not the few. I hope that TTB looks at the larger vision and asks the petitioners to work with the Greater Shawnee Grape Growers Association for a solution that will benefit all and still recognize the outstanding awards received by some of our wineries.

Sincerely,


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