

Congress of the United States

Washington, DC 20515

March 5, 1999

Hon. James Gilmore, Governor
State of Virginia and
Chairman, Advisory Commission on Electronic Commerce
State Capitol, Third Floor
Richmond, VA 23219

Dear Chairman Gilmore and Members, Advisory Commission on Electronic Commerce:

We are writing to urge that the Advisory Commission on Electronic Commerce address the interstate barriers to remote and Internet commerce in wine. Passage of the Internet Tax Freedom Act established a national policy against State and local government interference with interstate commerce on the Internet and created a Commission to study the issues and make recommendations to Congress. The Commission is charged with examining means to ensure the fair imposition of consumption, sales and use taxes on businesses, including those using the Internet, engaged in remote sales.

State barriers to remote commerce in wine severely impede the ability of wineries in California and elsewhere in the nation to service their customers. In many states, the imposition of unreasonable barriers to consumers who wish to purchase wine from a vendor in another state constitutes an unfair burden upon interstate commerce. These barriers effectively discriminate against legitimate businesses in the other states, provide special advantages to businesses licensed within their own states and hurt consumers. Within its authority the Commission could resolve excise tax collection issues for wine. Doing so would remove a major restraint by states which might then be more inclined to allow their citizens to receive delivery of wine legally purchased in other states.

Wine is important to California's economy. Our 800 wineries produce over 90% of the nation's wine and host 10 million tourists annually. Most wineries are small family-owned farms, whose economic lifeblood is some combination of selling wine to tourists and limited off-site wine sales. Like most small businesses, these wineries would like to be able to compete on a level playing field and be able to ship wine to their consumers on request. Consumers should be able to obtain hard-to-find wines not readily available within their states. In too many states, for too many wineries and their consumers, this cannot be done.

Hon. James Gilmore

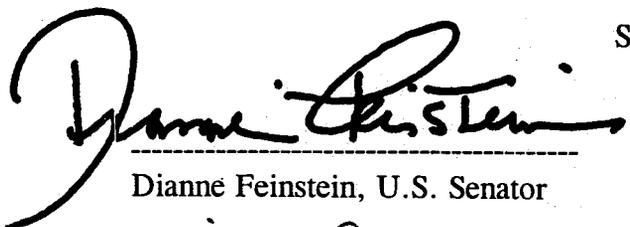
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We strongly urge the Advisory Commission on Electronic Commerce to investigate this problem and suggest remedies enabling states to collect excise and use taxes on wine without raising barriers to direct shipments of wine to consumers.

Thank you very much for your attention to this request. We stand ready to work with you and the Commission to ensure that a fair, equitable mechanism be established to address this significant problem for the California wine industry.

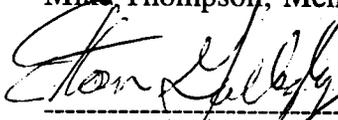
Sincerely,



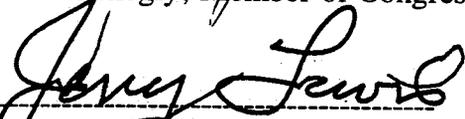
Dianne Feinstein, U.S. Senator



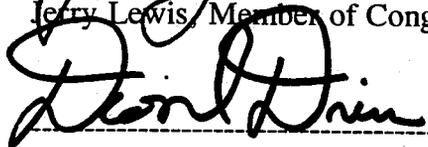
Mike Thompson, Member of Congress



Elton Gallegly, Member of Congress



Jerry Lewis, Member of Congress



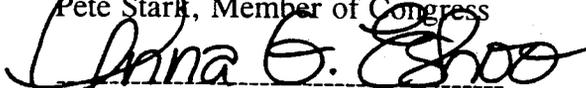
David Dreier, Member of Congress



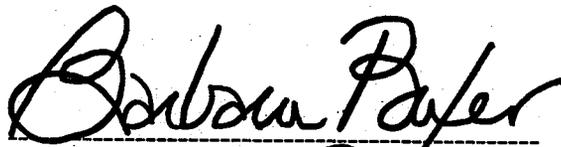
Lynn C. Woolsey, Member of Congress



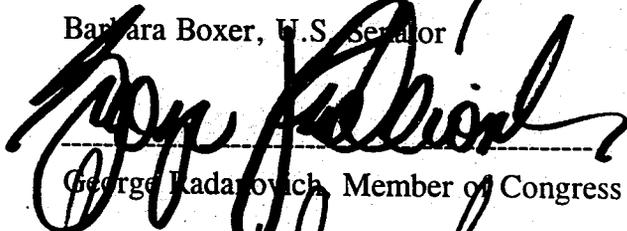
Pete Stark, Member of Congress



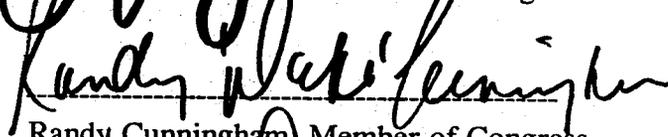
Anna G. Eshoo, Member of Congress



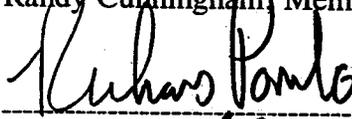
Barbara Boxer, U.S. Senator



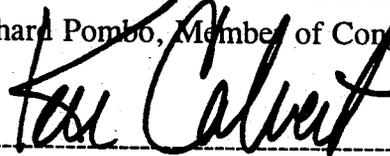
George Radanovich, Member of Congress



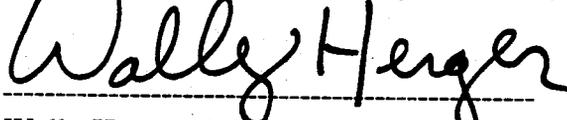
Randy Cunningham, Member of Congress



Richard Pombo, Member of Congress



Ken Calvert, Member of Congress



Wally Herger, Member of Congress



Tom Campbell, Member of Congress

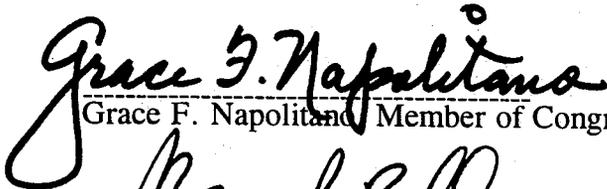


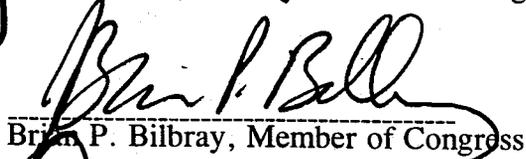
Ron Packard, Member of Congress

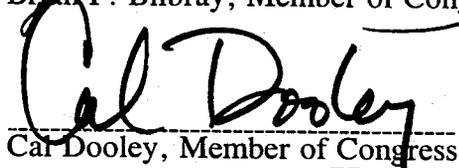
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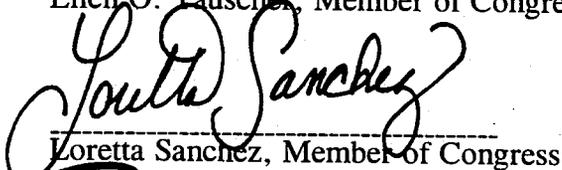
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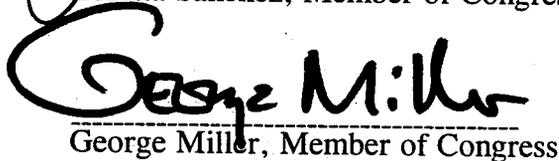

Grace F. Napolitano, Member of Congress


Brian P. Bilbray, Member of Congress

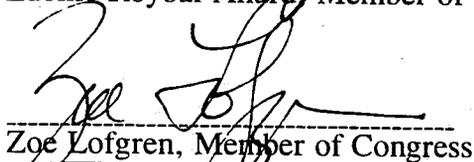

Cal Dooley, Member of Congress

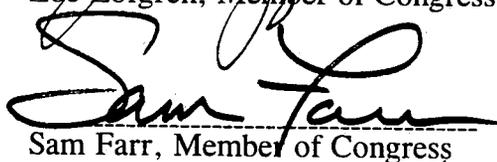

Ellen O. Tauscher, Member of Congress

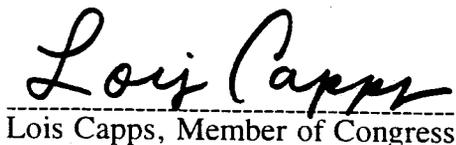

Loretta Sanchez, Member of Congress


George Miller, Member of Congress

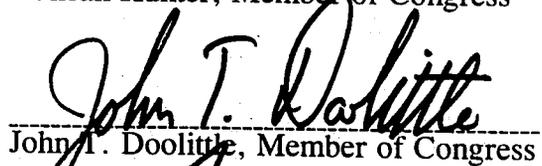

Lucille Roybal-Allard, Member of Congress

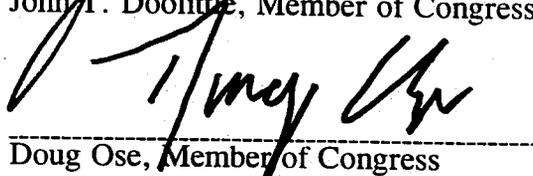

Zoe Lofgren, Member of Congress

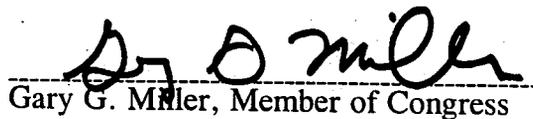

Sam Farr, Member of Congress


Lois Capps, Member of Congress

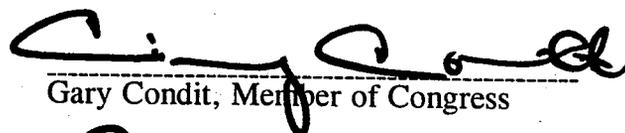

Duncan Hunter, Member of Congress

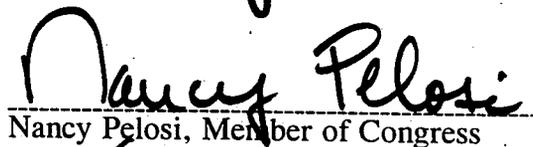

John T. Doolittle, Member of Congress

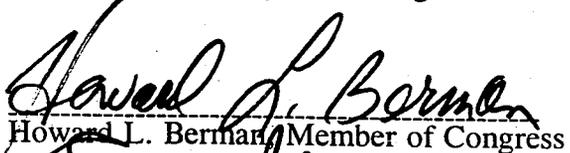

Doug Ose, Member of Congress

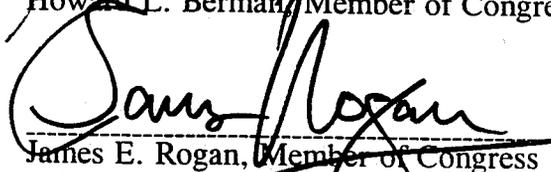

Gary G. Miller, Member of Congress

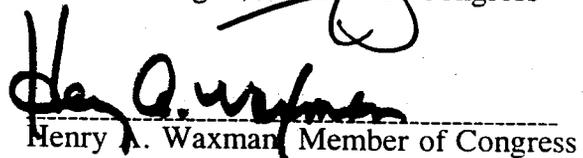

Dana Rohrabacher, Member of Congress


Gary Condit, Member of Congress


Nancy Pelosi, Member of Congress


Howard L. Berman, Member of Congress


James E. Rogan, Member of Congress


Henry A. Waxman, Member of Congress

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Tom Lantos

Tom Lantos, Member of Congress

Buck McKeon

Howard McKeon, Member of Congress

Julian C. Dixon

Julian C. Dixon, Member of Congress

Xavier Becerra

Xavier Becerra, Member of Congress

Christopher Cox

Christopher Cox, Member of Congress

Barbara Lee

Barbara Lee, Member of Congress

Ed Royce

Ed Royce, Member of Congress

cc: Members of the Commission