

Private Sector Perspective on Public Consultation in the Regulatory Process June 1, 2015

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Distilled Spirits Council of the United States, Inc.

Agenda

- 1. Brief overview of the Distilled Spirits Council
- 2. Why consult private sector?
- 3. How and when does private sector engage?
 - Electronic access is ideal!
- 4. How do we ensure our comments are effective?

6/10/2015

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1. Distilled Spirits Council of the United States, Inc.

AGAVE LOCO BACARDI

















RÉMY COINTREAU USA SIDNEY FRANK IMPORTING CO., INC.

Agave Loco

Bacardi U.S.A. Inc.

Beam Suntory Inc.

Brown-Forman Corporation

Campari America

Constellation Brands, Inc.

Diageo North America

Edrington

Luxco, Inc.

Moët Hennessy USA

Prichard's Distillery

The Patrón Spirits Company

Pernod Ricard USA, Inc.

Remy Cointreau USA, Inc.

Sidney Frank Importing Co., Inc.

2015 Small Distiller Affiliate Members 117 members, 31 states

Alltech's Lexington Brewing and Distilling Co. (KY) Anchor Distilling (CA) Appalachian Gap Distillery (VT) Artisan Grain Distillery (IA) Ascendant Spirits (CA) Balcones Distilling (TX) Bardenay (ID) Black Button Distilling (NY) **Bloomery Plantation Distillery** (WV) Broadslab Distillery (NC) Breckenridge Distillery (CO) Brothers Vilgalys Spirits (NC) Buffalo Bayou Distilleries (TX) Call Family Distillers (NC) Cane Land Distilling Co. (LA) Carolina Distillery (NC) Catoctin Creek Distilling Co. (VA) Catskill Distilling Co. (NY) Cleveland Whiskey (OH) Congenial Spirits (CA) Copper & Kings American Brandy (CO) Copper Barrel Distillery (NC) Copper Fox Distillery (VA) Coppersea Distilling (NY) Corsair Artisan (TN/KY)

Dark Horse Distillery (KS)

Death's Door Spirits (WI)
Defiant Whisky (NC)

Dented Brick Distillery (UT) District Distilling Company (DC) Dry Fly Distilling (WA) Durham Distillery (NC) Eight Oaks Craft Distillers (PA) Fair Game Beverage Co. (NC) Few Spirits (IL) Finger Lakes Distilling (NY) Firestone & Robertson Distilling Co. (TX) Foothills Distillery (NC) Garrison Brothers Distillery (TX) Georgetown Trading Co. (DC) Germain-Robin (CA) Golden Moon Distillery (CO) Great Lakes Distillery (WI) Great Northern Distilling (WI) Greenbar Distillery (CA) Headframe Spirits (MT) Hemingway Rum Company (FL) High Ridge Spirits (AL) High West Distillery (UT) Hillrock Estate Distillery (NY) House Spirits Distillery (OR) Huber's Starlight Distillery (IN) Kings County Distillery (NY) Kōloa Rum Company (HI) KOVAL Distillery (IL) Lake George Spirits (NY) Limestone Branch Distillery (KY) Louisiana Spirits (LA)

Louisville Distilling Co. (KY) Lyon Distilling Company (MD) Mad River Distillers (VT) Mad Scientist Spirits (NC) Mayberry Spirits (NC) MB Roland Distillery (KY) Michter's Distillery (KY) Middle West Spirits (OH) Mississippi River Distilling Company (IA) Mountain Laurel Spirits (PA) Napa Valley Distillery (CA) Nelson's Green Brier Distillery (TN) New Columbia Distillers (DC) New Liberty Distillery (PA) New York Distilling Co. (NY) Old Pogue Distillery (KY) Ole Smoky Moonshine Distillery (TN) Osocalis (CA) Outer Banks Distilling (NC) Philadelphia Distilling (PA) Popcorn Sutton Distilling (TN) Prohibition Distillery (NY) Ransom Spirits (OR) Red Eye Louie's Vodquila (AL) Redemption Rye (KY) Revival Spirits Distilling Co. (NC) Revolution Spirits (TX) Rogue Ales and Spirits (OR)

Rut 'N Strut Distillery (KY) Sagamore Spirit (MD) St. George Spirits (CA) Santa Fe Spirits (NM) Saxtons River Distillery (VT) Sin Vodka (NV) Smooth Ambler Spirits Co. (WV) Smugglers' Notch Distillery (VT) Southern Artisan Spirits (NC) Southern Grace Distilleries (NC) Spring44 Distilling (CO) Square One Organic Spirits (CA) Stranahan's Colorado Whiskey (CO) Sugarlands Distilling Co. (TN) Sun Liquor Distillery (WA) Sutler's Spirit Co. (NC) Tatoosh Distillery (WA) Templeton Rye Spirits (IA) Tobacco Barn Distillery (MD) TOPO Organic Spirits (NC) Troy & Sons Distillers (NC) Tuthilltown Spirits LLC (NY) Vermont Spirits Distilling Co. (VT) Warwick Valley Distillery (NY) WhistlePig Whiskey (VT) Wiggly Bridge Distillery (ME) Wigle Distillery (PA) Willie's Distillery (MT) Woodinville Whiskey Co. (WA) Yahara Bay Distillers (WI) Yankee Distillers (NY)

U.S. Spirits Industry's Heritage Traces Back to George Washington

Chicago Tribune

Washington's whiskey

1st U.S. president's formula comes to life at his 1790s facilities



"I think of this as my spring workout. The level

of manual labor is strenuous."

- Dave Picker ell, former Maker's Mark mouser davi Net on

George Washington, Whiskey Entrepreneur



America's first entrepreneur -- George Washington

Recently replicated on their original foundations at M Estate and Gardens (with support from the Distilled S Council of the United States), Washington's gristmill and distilled

are architectural wonders that anticipated modern factories

The Washington Post

A Founding Father's spirit is revived

Whiskey made from Washington's recipe goes on sale at Mount Vernon

BY JULIA EDWARDS Special to The Washington Post



SIPS OF HISTORY: Steve Bashore, manager of the estate's distillery, checks the whiskey output from a still.

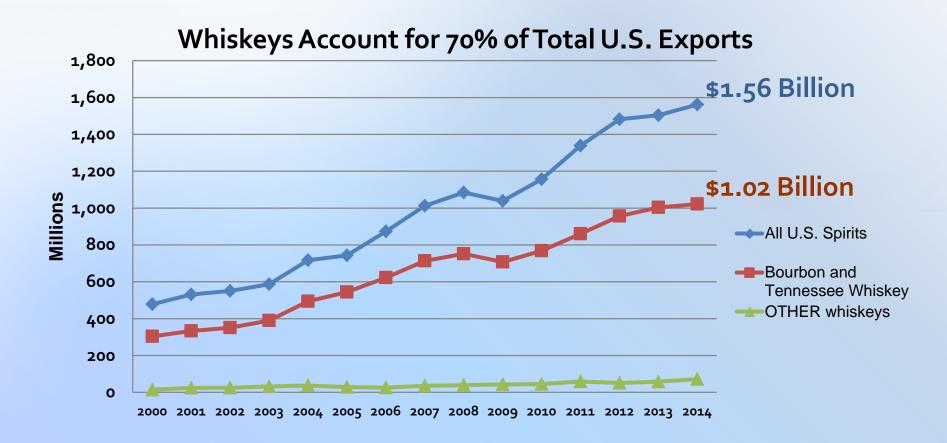
rge Washington "Two hundred e ready this day er it is taken the r this article (in

on spoke of was illery, at Mount ity of the spirit Mount Vernon ers have been on's unaged rye ipe and manual month and will de in April. r Maker's Mark kerell, has perv began distillyear beginning grant from the

DISTILLERY CONTINUED ON C3

Global U.S. Spirits Exports

(2000-2014)



Source: U.S. Department of Commerce, Compiled by U.S. International Trade Commission (FAS value – Free Alongside Ship is the value of exports at the U.S. port, based on transaction price including inland freight, insurance and other charges.)

2. Why Consult with Private Sector?

- Private sector views are important!
 - Regulated industry is often best placed to assess the likely impact
 - Industry can help regulators determine answers to key questions: e.g., will it achieve the stated goals, improve efficiencies, impose unnecessary roadblocks, reduce costs, have a positive or negative impact on industry, sales, jobs, etc.?
 - Often share same goals (e.g., health/safety)
- Consulting early in process with regulated industry can help identify and avoid costly implementation issues
- A broad range of input ensures that <u>all</u> potential impacts have been considered, resulting in better regulations
- Ensures stakeholder buy-in (result = greater compliance)
- Ability to comment electronically benefits all involved

3. How and when engage?

- 1. Identify the proposed regulation
 - Federal Register, WTO TBT/SPS notices, USDA reports, industry
- 2. In case of WTO notices, obtain copy of regulation
 - either available via link on WTO notice, or contact via email
- 3. The earlier, the better!
 - As noted above, can help identify/avoid implementation issues



A Quick Note about E-Rulemaking: Benefits and Goals

- Public Consultations via Technology Tools
- Maximizing Productivity, Resources, Manpower
- The "Green" Choice/Reduces Carbon Footprints
- Provides a Virtual Dialogue and Exchange of Ideas
- All Stakeholders Have Access to the Rulemaking Docket
- Allows Timely Submissions from All Parts of the World
- Achieves Transparency, Improved Rulemaking, Good Governance

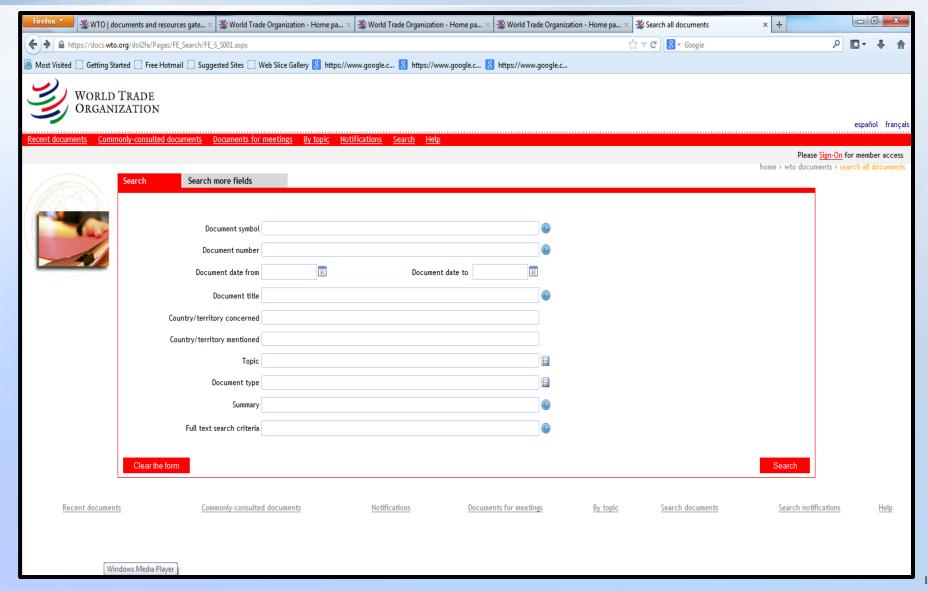
US Example - Federal Register: USTR Solicits Input on Barriers to US Exports



U.S. Example - Federal Register: TTB Seeks Input on Proposed Changes to Spirits Standards



WTO Notifications Search



NIST Email Alerts – TBT Notifications

From: notifyus@nist.gov [mailto:notifyus@nist.gov]

Sent: Wednesday, May 20, 2015 5:00 AM

To: Christine LoCascio

Subject: New WTO TBT Notifications For You on

5/20/2015

• Hello <u>clocascio@discus.org</u> Please go to <u>Notify U.S.</u> and sign in to your personalized home page to view your new and recent WTO TBT notifications: Fast access to your notifications? Use the "Countries" tab! Your new Notify U.S. WTO TBT notifications on 5/20/2015: (2) Notification Number: CZE/183 (Czech Republic)
Date Issued: 5/18/2015
Products: Milk and milk products, Ice cream and ice

confectionery, Edible oils and fats, Oilseeds

Title: Decree laying down the requirements for milk and milk products, ice creams and edible fats and oils

(1) Notification Number: CAN/446 (Canada)

Date Issued: 5/18/2015

Products: Bulk dairy products, maple syrup, maple sugar, canned chicken haddie (a flaked white fish product), canned lobster meat, frozen lobster meat and pickled lobster meat (ICS: 67.100, 67.120, 67.180, 01.120, 5

Title: Regulations Amending Certain Regulations Administered and Enforced by the Canadian Food Inspection Agency

USDA Weekly Newsletter – SPS and TBT Notifications



Produced by: USDA/FAS/OSTA/IRSD 5/22/2015

WTO Notifications Newsletter #20

Listed below are proposed changes to existing or new foreign government regulations pertaining to food safety, and animal or plant life or health. As required by the WTO Sanitary and Phytosanitary (SPS) Agreement, and WTO Technical Barriers to Trade (TBT) Agreement governments are required to notify Members of proposed changes in their regulations and allow trading partners an opportunity to comment. This newsletter is being distributed to encourage interested parties to review and offer comments on the foreign regulations.

The table below summarizes all the SPS and TBT regulations notified to the WTO Secretariat over the last week. A brief summary of each notification is also included.

Notification Detail

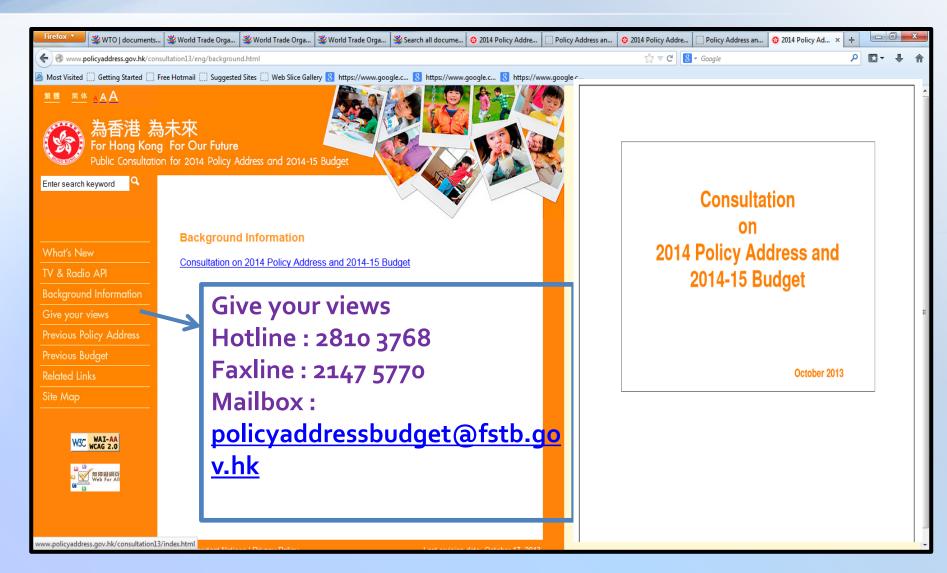
WTO# - SPS/N/CAN/891/Add.1 Country - Canada

Comment Deadline - Enforcement Date -

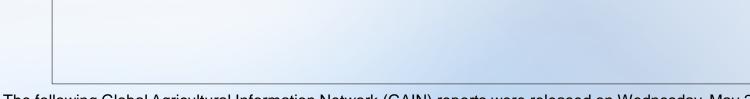
Product - Pesticides, MRL Objective - Food Safety

Description - The proposed maximum residue limit (PMRL) document for glyphosate notified in G/SPS/N/CAN/891 (dated 30 October 2014) was adopted 19 May 2015. The proposed MRL was established via entry into the Maximum Residue Limits Database and is provided directly below: MRL (ppm) Raw Agricultural Commodity (RAC) and/or Processed Commodity 40 Undelinted cotton seeds ppm = parts per million MRLs established in Canada may be found using Health Canada's Maximum Residue Limit Database (http://pr-rp.hc-sc.gc.ca/mrl-lrm/index-eng.php) on the Maximum Residue Limits for Pesticides webpage (http://www.hc-sc.gc.ca/cps-spc/pest/part/protect-proteger/food-nourriture/mrl-lmr-eng.php). The database allows users to search for pesticides(s) or for food commodity(ies).

Non-WTO Notice Example: Hong Kong Consultation on 2014-2015 Budget



Non-WTO Notice Example



The following Global Agricultural Information Network (GAIN) reports were released on Wednesday, May 20, 2015.

India: Draft Amendments in Contaminants Toxins and Residues Regulations

The Government of India's (GOI) Food Safety and Standards Authority of India (FSSAI) amended the Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011, to update standards for various food contaminants. The GOI is currently seeking public comments for these regulations. The deadline for public comments is June 15, 2015.

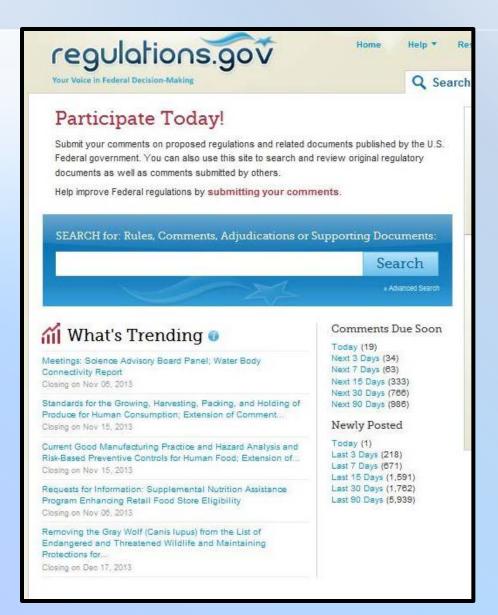
Russia: Draft Rules of Veterinary Testing-Examination and Regionalization

Three new draft SPS regulations covering laboratory testing rules, rules of veterinary and sanitary examination, and veterinary regionalization were posted on the Russian Government website for public review at http://regulation.gov.ru/. According to the regulation.gov.ru, it is planned that all three documents will come into effect as of September 1, 2015. Interested U.S. parties are encouraged to share their comments and/or concerns with USDA via the point of contact specified below.

Hong Kong: Proposed Regulations on Claims on Formula Products

Pursuant to WTO notification, the Hong Kong government has proposed legislation to further regulate nutrition and health claims on products for children under 36 months, such as infant and toddler formulas and prepackaged foods. Under consideration are regulations that grant government additional control over the utilization of nutrition and health claims on products intended for the very young.

Getting Started in U.S.



Tools to Help

Are you new to the site?

Click the links below to get started.

- > What can I find on this site?
- > How do I find a rule?
- How do I submit a comment?
- > How do I find my comment?
- Do my comments make a difference?



	About Us	Resources	Help
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Browse By Category Browse By Topics	Agencies Awards & Recognition Enhancements & Fixes	Agency Reports Required by Statute	Glossary
Learn		Executive Order 12868 Executive Order 13563	
		Developers	

Enter Rulemaking Topic

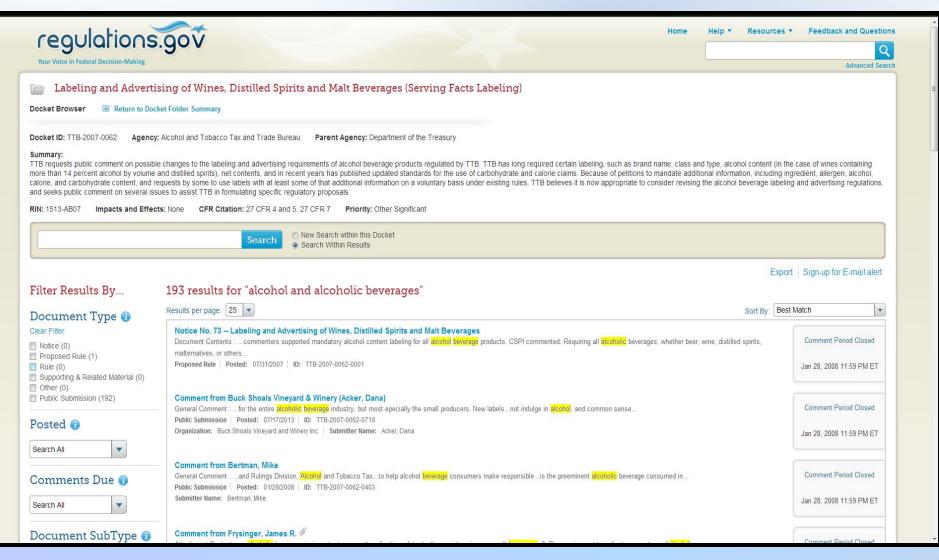


Current Good Manufacturing Practice and Hazard Analysis and Risk-Based Preventive Controls for Human Food; Extension of Comment Periods
- Document Contents: ...211 [Docket No. FDA-2011-N-0920] RIN 0910-AG36 Current Good Manufacturing Practice and Hazard Analysis and Risk- Based Preventive Controls for Human Food...

Proposed Rule by FDA on 08/09/2013 ID: FDA-2011-N-0920-0188



Comments Filed/Rulemaking History



4. How Ensure Effective Industry Comments?

- Understand the goals of the proposal
 - Would it meet these?
- Step back, review what's happening in the marketplace
 - Does proposal reflect this, or constrain it and future innovation?
- Does it create unjustified barriers? Is it discriminatory?
 - Sometimes trade implications are not known or considered
- Is it consistent with U.S. and/or international standards?
 - If no int'l standard, is it consistent w/ global industry practices?
- Solicit input from members who are active in the market
 - May have insight/other input that would be helpful



4. How Ensure Effective Industry Comments (2)?

- State rationale for why you are commenting
 - Establish bona fides/note how sector will be directly impacted
- Note areas of proposal that industry supports
- Provide a clear explanation of problems it would create
 - e.g., would not meet stated goals, negative impact on trade, not in compliance with WTO commitments, costs, impact govt revenues
- Ensure arguments are backed up with data/sound reasoning
- Suggest an alternative/propose marked-up language
 - If can provide a solution, more likely will be considered

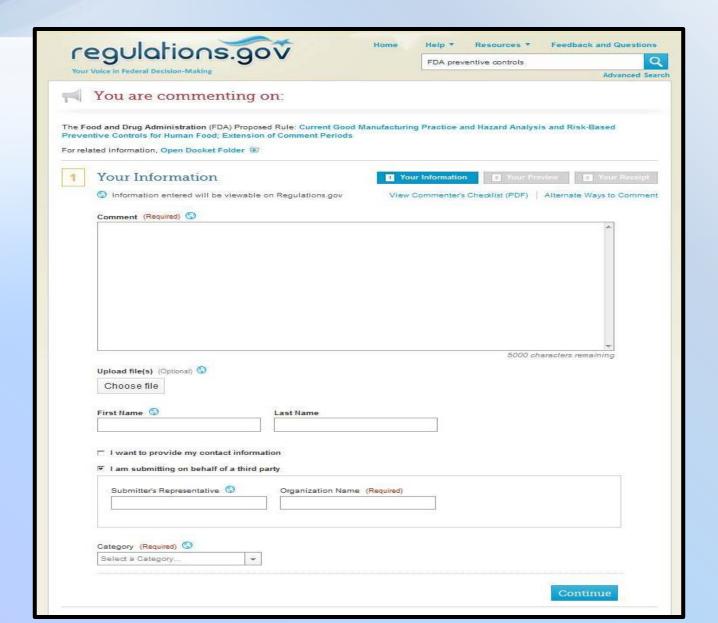




Steps in Responding to Proposed Regulations: Why Sufficient Time Needed

- 1. Identify the proposed regulation
- 2. In case of WTO notices, obtain copy of regulation
- 3. Translate document (if necessary)
- 4. Analyze proposed regulation for potential impact*
- 5. Draft summary and industry comment (if needed)
- 6. Solicit input from members
- 7. Review and incorporate comments from members
- 8. Finalize comment (translate, if needed)
- 9. Submit to USG or foreign government

Submit Your Comment



Final Thoughts

- Regulated industry has an important role to play in regulatory process
- Often share same goals (e.g., health and safety)
- Consultation with industry should lead to better regulations and greater compliance

• Ensure allow sufficient time for consultation in advance

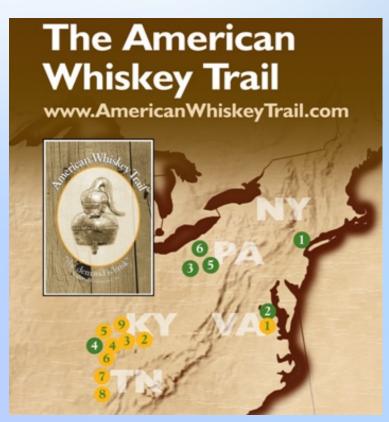
and during implementation







Thank you!



Whiskey Distilleries

- George Washington Distillery Mount Vernon, VA
- Woodford Reserve Versuilles, KY
- Wild Turkey Lawrenceburg, KY
- Barton Brands Bardstown, KY
- 5 Jim Beam Clermont, KY
- 6 Maker's Mark Loretto, KY
- George Dickel Tidlahoma, TN
- 8 Jack Daniel's Lynchburg, TN
- 9 Buffalo Trace Franklin County, KY

Historical Sites

- Fraunces Tavern Museum New York, NY
- Gadsby's Tavern Museum Alexandria, VA
- Woodville Plantation, The John and Presley Neville House Bridgeville, PA
- Oscar Getz Museum Bardstown, KY
- West Overton Museum Scottdale, PA
- 6 Oliver Miller Homestead Allegheny County's South Park, PA

Rum Distilleries

Barcardi Visitor Center Cataño, Puerto Rico

Cruzan Rum Distillery St. Croix, US Virgin Islands