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# Pa. corks wine 'festivals'

*State regulators are no longer letting wineries sell their wares at any festival they want. Some wineries say that could significantly hurt their business.*

BY JOHN WILEN  
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**Maxian jokes** with Jane LaMay of Chalfont at the Savory Sampler at the Mercer Museum in October.

Sand Castle Winery of Erwinna, find they have to work overtime to change that perception. Unlike vineyards in the Napa and Sonoma valleys in Northern

California, which get daily walk-in traffic, wineries in Pennsylvania have to go the extra mile to get their names and vintages out there.

"Wineries really don't have money for marketing," said Joseph Maxian, owner of Sand Castle.

To compensate, Sand Castle and many of the state's other wineries have taken full advantage of a state law that lets them set up shop at wine and food festivals for as many as 40 days each year.

Too full advantage, as it turns out. Last year, the state Liquor Control Board started limiting the types of festivals wineries can attend after LCB staffers noticed a newspaper story about a winery that had used a festival permit to set up shop in a grocery store during the 2005 holiday season.

"That caused us as an agency to take a look, and we said, 'Wow,'" said Rod Diaz, deputy chief counsel at the LCB.

What the Board found was that its licensing bureau had been approving winery applications for virtually any type of festival, show or exposition. In 2005, it had sent out nearly 400 approval letters, more than double the number from two years before.

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The words "Pennsylvania wine" often elicit an upturned nose, chuckle or dumbfounded look.

Many people — even in Pennsylvania — don't realize the commonwealth is home to a thriving wine industry and that many of its wines actually win head-to-head taste competitions against wines from other parts of the world.

Out of necessity, wineries such as the

or did not meet the regulations," Diaz said. "We certainly do not want to hurt the industry, but at some point you have to follow the rules."

While the LCB started more carefully scrutinizing festival applications last year, it did not revoke permits that had already been issued.

Sand Castle, which attended 20 art and crafts festivals, home and garden shows, spring festivals and food festivals, among other types of expositions, fears the change will have a significant impact on its business this year.

"This year, we really dread the fact that most of the festivals we went to last year will be denied," Maxian said, expecting they will only get approval for three events.

The Pennsylvania Wine Association is also worried.

"Wineries over time plan on these things," said Fran O'Brien, a spokesman. "For some, I think there is potentially a significant impact."

Other than Sand Castle, it's not clear how many Bucks County wineries will be affected.

Ed Ullman said his Rushland Ridge Vineyard doesn't attend festivals. But he opposes the LCB change, even if it won't affect him.

"I think a festival's a festival," Ullman said. "It's really splitting hairs."

"Any of the marketing outlets ... are used not at all by some wineries, and heavily by others," O'Brien said.

"We only go to a few wine festivals," said Susan Gross, of Peace Valley Winery.

Maxian says festivals are a way to get Sand Castle's name and wine out in front of people who are otherwise unaware of it.

"You're introducing your product to the people who never heard about you, and then you pull them back in to the winery," Maxian said.

Diaz said the LCB's change on festival permits has nothing to do with the 2005 U.S. Supreme Court ruling that led to a separate controversy over direct wine shipments. The ruling said states such as Pennsylvania that let their wineries ship directly to state residents have to afford the same right to out-of-

state wineries. The LCB responded by banning all direct shipments by in-state wineries. But the net result of appeals and injunctions by state and federal courts is that both in-state and out-of-state wineries can currently ship directly to Pennsylvania residents, as long as they get a license to do so.

Both Diaz and Conti said the LCB hopes the legislature will clarify state law.

"Our board is waiting for the General Assembly to act to know how they should handle it," Conti said of the direct shipment issue.

Less clear is whether the Legislature will also make changes to the festival permit law. So far, the industry has not asked the Legislature to make any change to the permitting laws, said Lynn Benka-Davies, executive director of the House Committee on Liquor Control.

"They haven't really come to us," Benka-Davies said. "We'd be willing to work with them."

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## Wine

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"People were applying for these kinds of permits for car shows," Diaz said.

The LCB took a closer look at the law and determined permits should be granted only for festivals where the primary focus is on alcoholic cider, wine or food.

In order to get a permit, the event needs to have "the primary intent of educating those in attendance of the availability, nature and quality of Pennsylvania-produced alcoholic ciders and wines in conjunction with suitable food displays, demonstrations and sales," states the law.

"It was determined that the code said these festivals had to have a food and an educational purpose," said Joe Conti, CEO of the Liquor Control Board and a former state senator for Bucks and Montgomery counties.

"What's happened is, apparently our licensing bureau would process some of these applications ... and not take a look at whether the festival did