

DATES: We must receive written comments by March 10, 2003.

ADDRESSES: You may send comments to any of the following addresses:

- Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20091-0221 (Attn: Notice No. 965);
- 202-927-8525 (Facsimile);
- nprm@atfhq.atf.treas.gov (E-mail);
- <http://www.atf.treas.gov> (An online comment form is available with this notice).

See the "Public Participation" section of this notice for specific requirements, as well as for information on how to request a public hearing.

FOR FURTHER INFORMATION CONTACT: N. A. Sutton, Specialist, Regulations Division (San Francisco, CA), Bureau of Alcohol, Tobacco and Firearms, 221 Main Street, 11th Floor, San Francisco, CA 94105-1906; telephone (415) 271-1254.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

Authority

The Federal Alcohol Administration Act (FAA Act) at 27 U.S.C. 205(e) requires that alcohol beverage labels provide the consumer with adequate information regarding a product's identity, while prohibiting the use of deceptive information on such labels. The FAA Act also authorizes ATF to issue regulations to carry out the Act's provisions.

Regulations in 27 CFR part 4, Labeling and Advertising of Wine, allow the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Title 27 CFR part 9, American Viticultural Areas, contains the list of approved viticultural areas.

Definition

Title 27 CFR 4.25a(e)(1) defines an American viticultural area as a delimited grape-growing region distinguishable by geographic features whose boundaries have been delineated in subpart C of part 9.

Requirements

Section 4.25a(e)(2) outlines the procedure for proposing an American viticultural area. Anyone interested may petition ATF to establish a grape-growing region as a viticultural area. The petition should include:

- Evidence of local and/or national name recognition of the proposed viticultural area as the area specified in the petition;

- Historical or current evidence that the boundaries of the proposed viticultural area are as specified in the petition;

- Evidence of geographical characteristics, such as climate, soil, elevation, physical features, etc., that distinguish the proposed area from surrounding areas;

- A description of the specific boundaries of the viticultural area, based on features found on maps of the largest applicable scale that are approved by the United States Geological Survey (USGS); and

- A copy or copies of the appropriate USGS-approved map(s) with the boundaries prominently marked.

Additionally, for a wine to use the name of a viticultural area as an appellation of origin, 85 percent of the grapes in the wine must be grown within the viticultural area.

Expansion Petition

The Bureau of Alcohol, Tobacco and Firearms (ATF) has received a petition from Donald L. Carano of the Ferrari-Carano Vineyards and Winery in Healdsburg, California, proposing a 767-acre expansion of the established 96,000-acre Russian River Valley viticultural area (*See* 27 CFR 9.66). This proposed expansion would result in less than a one percent increase in the established area's size. The petitioner states that approximately 365 of the proposed expansion's 767 acres are currently planted to grapes.

Located approximately 55 miles north of San Francisco, the proposed expansion fits into a 90° angle in the current Russian River Valley viticultural area's eastern boundary at the village of Fulton, which is just northwest of the city of Santa Rosa in Sonoma County, California. The proposed expansion is bordered by Fulton Road on the west, River Road on the north, U.S. Highway 101 on the east, and two locally known streets, Dennis Lane and Francisco Avenue, to the south.

The petitioner states that the proposed expansion has the same climate and other characteristics of the current Russian River Valley viticultural area, and, therefore, the proposed expansion meets the criteria for inclusion in the established viticultural area. The petitioner also notes that, in the past, some winegrape growers in the proposed expansion area have erroneously believed their vineyards to be within the boundaries of the Russian River Valley viticultural area.

Name Evidence

The petitioner provided evidence that the proposed expansion area, adjacent

to the established area's boundaries, is also referred to as the Russian River Valley viticultural area. A Wine Country Living magazine map of viticultural areas, dated July 2002, shows the proposed expansion area as being within the established Russian River Valley viticultural area's borders. A June 2002 Wine Spectator Online article states that the Vintners Inn hotel is in the Russian River Valley viticultural area, although it is actually in the proposed expansion. The Russian River Wine Road web site (1998-2002) also locates the Vintners Inn, as well as Siduri Wines, inside the Russian River viticultural area, even though both are within the proposed expansion area. In August 2002, the Russian River Valley Winegrape Growers Association website listed several members who are in the proposed expansion area. Road signs in the proposed expansion area also indicate that the area is associated locally with the Russian River.

Evidence of Boundaries

Historically, the proposed expansion area was used for prune orchards and vineyards, according to Mr. John Marcucci, whose family has owned thirty acres in the proposed area for four generations. He recalls that, prior to 1918, the acreage was planted to Petite Syrah, Zinfandel, and Pinot Noir wine grapes. Mr. Marcucci and Mr. Henry Bisordi, both life long residents of the area, also recollect that years ago prune orchards were more profitable than vineyards, but when the market turned, some orchards were replaced with vineyards. The previous owner of the Vintners Inn acreage claims that approximately 50 acres of this land was devoted to French Colombard wine grapes and orchards until about 25 years ago when the orchards were removed for Chardonnay, Pinot Blanc, and Sauvignon Blanc wine grape plantings. Currently, 48 percent, or almost half of the 767 acre proposed expansion area, is used for viticulture.

Growing Conditions

Treasury Decision ATF-159 of October 21, 1983, 48 FR 48813, established the Russian River Valley as a viticultural area. This Treasury Decision stated:

The Russian River viticultural area includes those areas through which flow the Russian River or some of its tributaries and where there is a significant climate effect from coastal fogs. The specific growing climate is the principal distinctive characteristic of the Russian River Valley viticultural area. The area designated is a cool growing coastal area because of fog intruding up the Russian River and its tributaries during the early morning hours.