

ACTION: Notice of proposed rulemaking.

SUMMARY: TTB proposes to establish a viticultural area named "Columbia Gorge" in Hood River and Wasco Counties, Oregon, and Skamania and Klickitat Counties, Washington, approximately 60 miles east of Portland, Oregon. We invite comments on this proposal.

DATES: Written comments must be received by August 26, 2003.

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

- Chief, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 50221, Washington, DC 20091-0221 (Attn: Notice No. 11);
- 202-927-8525 (facsimile);
- nprm@ttb.gov (e-mail); or
- <http://www.ttb.gov> (An online comment form is posted with this notice on our Web site).

You may view copies of the petition, this notice, the appropriate maps, and any comments we receive by appointment at the ATF Reference Library, 650 Massachusetts Avenue, NW., Washington, DC 20226; phone 202-927-7890. You may also access copies of the notice and comments on our Web site at <http://www.ttb.gov>.

See the Public Participation section of this notice for specific instructions and requirements and for information on how to request a public hearing.

FOR FURTHER INFORMATION CONTACT:

Bernard J. Kipp, Specialist, Regulations Division (Portland, Oregon), Alcohol and Tobacco Tax and Trade Bureau, PMB 237, 17675 SW Farmington Rd, Aloha, OR 97007; telephone 503-356-1341.

SUPPLEMENTARY INFORMATION:**TTB Background***What Is the Impact of the Homeland Security Act on Rulemaking?*

Effective January 24, 2003, the Homeland Security Act of 2002 divided the Bureau of Alcohol, Tobacco and Firearms (ATF) into two new agencies, the Alcohol and Tobacco Tax and Trade Bureau in the Department of the Treasury and the Bureau of Alcohol, Tobacco, Firearms and Explosives in the Department of Justice. Regulation of wine labeling, including viticultural area designations, is the responsibility of the new TTB. References to ATF in this document relate to events that occurred prior to January 24, 2003, or to functions that the Bureau of Alcohol, Tobacco, Firearms and Explosives continues to perform.

Background on Viticultural Areas*Authority To Establish Viticultural Areas*

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 TTB 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 of American Viticultural Areas

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. These designations allow consumers and vintners to attribute a given quality, reputation, or other characteristic of wine made from grapes grown in an area to its geographical origin.

Requirements To Establish a Viticultural Area

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 must 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 proposed viticultural area's boundaries are as specified in the petition;
- Evidence relating to geographical characteristics, including growing conditions 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 reflected on United States Geological Survey (USGS) approved maps of the largest applicable scale; and
- A copy (or copies) of the USGS-approved map(s) with the boundaries prominently marked.

Impact on Current Wine Labels

If this proposed viticultural area is established, bottlers who use brand names like the name of the viticultural area may be affected. If you do use a brand name like "Columbia Gorge," you must ensure that your existing products are eligible to use the name of the viticultural area as an appellation of origin. For a wine to be eligible, at least 85 percent of the grapes in the wine must have been grown within the viticultural area.

If the wine is not eligible to use the appellation, you must change the brand name of that wine and obtain approval of a new label. Different rules apply if you label a wine in this category with a brand name that was used on a label approved before July 7, 1986. See 27 CFR 4.39(i) for details. Additionally, when the name of a viticultural area is presented on a wine label in a context other than as the claimed appellation of origin, then the use of such a viticultural area name is subject to the general prohibitions against misleading representation in part 4 of the regulations.

Columbia Gorge Petition*General*

We received a petition requesting establishment of a new viticultural area to be called "Columbia Gorge." Mark Wharry filed the petition on behalf of the Columbia River Gorge Wine Growers Association. According to the petitioner, the Columbia Gorge is a dramatic river corridor cut through the Cascade Mountains and is the only sea level pass through the range. The petitioner states that this narrow, winding valley with its steep, rising bluffs creates a unique grape-growing region.

This proposed 280 square mile viticultural area is located about 60 miles east of Portland, Oregon, and straddles the Columbia River for fifteen miles while extending into south-central Washington and north-central Oregon. The proposed area surrounds Hood River, Oregon, and White Salmon, Washington, and is generally bordered by B Z Corner, Washington, on the north, Lyle, Washington, on the east, Parkdale, Oregon, on the south, and Vinzenz Lausmann State Park, Oregon, on the west. The proposed area is just west of the established Columbia Valley viticultural area and shares a part of its border with that area.

Viticultural History

According to the petitioner, grapes have been grown in the Columbia Gorge for over a century. In the 1880s, the Jewitt family, founders of the town of