

**DEPARTMENT OF THE TREASURY****Alcohol and Tobacco Tax and Trade Bureau****27 CFR Part 9****RIN: 1513-AA50****[Notice No. 14]****Proposed Dundee Hills Viticultural Area (2002R-218P)****AGENCY:** Alcohol and Tobacco Tax and Trade Bureau (TTB), Treasury.**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Alcohol and Tobacco Tax and Trade Bureau proposes to establish the Dundee Hills viticultural area in Yamhill County, Oregon. Located entirely within the established Willamette Valley viticultural area, the proposed Dundee Hills area covers 6,490 acres, of which 1,264 are planted to grapes. We invite comments on this proposal.

**DATES:** We must receive written comments on or before October 14, 2003.

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

- Chief, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, PO Box 50221, Washington, DC 20091-0221 (Attn: Notice No. 14);
- (202) 927-8525 (facsimile);
- [nprm@ttb.gov](mailto: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 this notice and any comments received at <http://www.ttb.gov/alcohol/rules/> or by appointment at the ATF Reference Library, 650 Massachusetts Avenue, NW., Washington, DC 20226; phone (202) 927-7890.

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:** N. A. Sutton, Specialist, Regulations and Procedures Division (Oregon), TTB, 946 NW Circle Blvd., #286, Corvallis, OR 97330; telephone (415) 271-1254.

**SUPPLEMENTARY INFORMATION:****Background on Viticultural Areas***TTB 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 the Secretary of the Treasury to issue regulations to carry out the Act's provisions. The Secretary has delegated this authority to the Alcohol and Tobacco Tax and Trade Bureau (TTB).

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. The establishment of viticultural areas allows the identification of regions where a given quality, reputation, or other characteristics of the wine is essentially attributable to its geographic origin. We believe that the establishment of viticultural areas allows wineries to describe more accurately the origin of their wines to consumers and helps consumers identify the wines they purchase. Establishment of a viticultural area is neither an approval nor endorsement by TTB of the wine produced there.

*Requirements*

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

- Evidence that the proposed viticultural area is locally and/or nationally known by the name specified in the petition;
- Historical or current evidence that the boundaries of the proposed viticultural area are as specified in the petition;
- Evidence that the proposed area's growing conditions, such as climate, soils, elevation, physical features, *etc.*, distinguish it from surrounding areas;
- A description of the proposed viticultural area's specific boundaries, based on features found on maps approved by the United States Geological Survey (USGS); and
- A copy of the appropriate 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. Such bottlers must ensure that their 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 and must meet the other conditions listed in 27 CFR 4.25a(e)(3).

If the wine is not eligible to use the appellation, the bottler must change the brand name of that wine and obtain approval of a new label. Different rules apply to a wine in this category bearing a brand name traceable to a label approved before July 7, 1986. See 27 CFR 4.39(i) for details. In addition, if you use the viticultural area name on a wine label in a context other than an appellation of origin, the general prohibitions against misleading representation in 27 CFR part 4 apply.

**Dundee Hills Petition**

TTB has received a petition from Mr. Alex Sokol Blosser, secretary of the North Willamette Valley AVA Group, proposing the establishment of a new viticultural area to be called "Dundee Hills" in Yamhill County, Oregon. The petition states that within the 6,490-acre proposed viticultural area, 1,264 acres are currently planted to grapes with another 800 acres available for future vineyard use.

This proposed area is entirely within the northern portion of the established Willamette Valley viticultural area in northwestern Oregon. It is located about 28 miles southwest of Portland, Oregon, and about 40 miles inland from the Pacific Ocean near the town of Newberg. The township of Dundee straddles the proposed area's eastern border, the Yamhill River runs near its southern boundary, Millican Creek and the Trappist Abbey of Our Lady of Guadalupe anchor its west side, and the Chehalem Valley lies beyond its northern boundary.

The Dundee Hills rise above the low, flat floors of the surrounding Willamette and Chehalem Valleys. These hills have peaks generally above 700 feet in elevation, with the highest rising to 1,067 feet. The petition states that in addition to their higher elevation, the hills have warmer nighttime temperatures and less low-elevation fog and frost than the surrounding valleys.

The North Willamette Valley AVA Group originally proposed the name "Red Hills," but upon learning of other