

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 misleading information on such labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out the Act's provisions, and the Secretary has delegated this authority to the Alcohol and Tobacco Tax and Trade Bureau.

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 4.25(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 geographic origin.

Requirements

Section 4.25(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 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 of growing conditions, such as climate, soils, elevation, physical features, etc., that distinguish the proposed area from surrounding areas;
- A description of the specific boundaries of the proposed viticultural area, based on features shown on United States Geological Survey (USGS) maps or USGS-approved maps; and
- Copies of the appropriate map(s) with the boundaries prominently marked.

Impact on Current Wine Labels

As appellations of origin, viticultural area names have geographic significance. Our 27 CFR part 4 label regulations prohibit the use of a brand name with geographic significance on a wine unless the wine meets the appellation of origin requirements for the named area. Our regulations also prohibit any other label references that suggest an origin other than the true place of origin of the wine.

If we establish this proposed viticultural area, bottlers who use brand names, including trademarks like Yamhill-Carlton District, must ensure that their existing products are eligible to use the viticultural area's name 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 the wine must meet the other requirements of 27 CFR 4.25(e)(3). If a wine is not eligible for the appellation, the bottler must change the brand name or other label reference and obtain approval of a new label.

Different rules apply to wines in this category that have brand names traceable to labels approved prior to 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.

Yamhill-Carlton District Petition

General Background

We have received a petition from Alex Sokol-Blosser, Secretary of the North Willamette Valley AVA Group, and Ken Wright, on behalf of the winegrowers of the proposed Yamhill-Carlton District, proposing a new viticultural area to be called the "Yamhill-Carlton District." The proposed viticultural area, which is limited to lands at or above 200 feet in elevation and below 1,000 feet in elevation, is wholly within Yamhill and Washington Counties and also falls within the approved boundaries of the Willamette Valley viticultural area in northwest Oregon. It is located approximately 35 miles southwest of Portland, Oregon, and 25 miles inland from the Pacific Ocean. It includes a total of 20,900 acres. However, when the acreage below 200 feet in elevation and above 1,000 feet in elevation is subtracted, the total acreage included in the proposed American viticultural area is 8,500 acres. The petitioner decided to use soil and elevation and, to a lesser extent, climate, as the primary factors in defining the boundaries of the proposed area. At the time of this proposal, 26

known vineyards exist in the proposed American viticultural area, with approximately 650 acres planted to grapes, with more added each year.

The petitioner's proposal is unusual in that the proposed boundaries encompass land that will not be part of the proposed viticultural area. Land below 200 feet and above 1,000 feet will be excluded due to soil and climate differences with land between those elevations. A precedent does exist for such a viticultural area. Within the boundaries of the Mendocino Ridge viticultural area, only land at or above the 1200-foot elevation is included in the viticultural area (See 27 CFR 9.158 and T.D. ATF-392 at 62 FR 55512, October 27, 1997). However, because of the unusual nature of such boundaries, TTB is particularly interested in public comments on the proposed Yamhill-Carlton District boundaries. Specifically, does the evidence regarding elevation support the exclusion of some of the land lying within the proposed area's outer boundaries?

Name Evidence

The petitioner indicates the area is locally known as the Yamhill-Carlton District. The cities of Yamhill and Carlton, Oregon, are 3 miles apart, lie at the center of the proposed viticultural area, and have had strong ties throughout their histories. Both were incorporated over 100 years ago and have existed as separate cities since that time. The hyphenated expression of the cities' names has been used since 1853 with the establishment of the Yamhill-Carlton Pioneer Cemetery. Also, the Yamhill-Carlton Union High School has existed since the two high schools merged in 1955 and currently operates under supervision of the Yamhill-Carlton School District, which was formed in 1996. Further evidence of the ties between the two communities was a shared newspaper, the "Carlton-Yamhill Review." The cities of Yamhill and Carlton, as well as the Yamhill-Carlton Pioneer Cemetery, are found within the boundaries of the USGS Carlton Quadrangle, 7.5 minute series, topographic map.

Boundary Evidence

The petitioner submitted evidence that is based primarily on soil and elevation, and to a lesser extent, climate, as factors in defining the boundaries of the proposed area, as well as historical information relating to viticultural activity. The petitioner describes the proposed Yamhill-Carlton District as a south-facing bowl containing a series of horseshoe-shaped, eroded hills,