

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 its provisions. 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 for American wines.

#### *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. 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 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 United States Geological Survey (USGS)-approved maps; and
- Copies of the appropriate USGS-approved map(s) with the boundaries prominently marked.

#### *Impact on Current Wine Labels*

As appellations of origin, viticultural area names have geographic significance and, under the FAA Act, may not be used in a misleading manner on wine labels. Our 27 CFR part 4 label regulations prohibit the use of brand names with geographic significance on a wine unless the wine meets the appellation of origin requirements for

the named area. The FAA Act and our regulations also prohibit the misleading use of a viticultural area name on a wine label in a context other than an appellation of origin. (See 27 CFR 4.33(b), 4.39(i), and 4.39(j)).

Bottlers who use brand names, including trademarked names, similar to "Russian River Valley" 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 if a wine in this category has a brand name used prior to July 7, 1986. See 27 CFR 4.39(i) for details.

#### **Russian River Valley Expansion Petition**

ATF received a petition from Donald L. Carano of the Ferrari-Carano Vineyards and Winery in Healdsburg, California, in August 2002, proposing a 767-acre expansion of the established 96,000-acre Russian River Valley viticultural area (see 27 CFR 9.66). On January 8, 2003, ATF published a Notice of Proposed Rulemaking requesting comments on the expansion of the Russian River area. (See Notice No. 965, 68 FR 1020). TTB received six comments, which are described and evaluated in the Notice of Proposed Rulemaking section of this document.

Located approximately 55 miles north of San Francisco, the Russian River Valley expansion area fits into a 90° angle in the original eastern boundary at the village of Fulton, which is just northwest of the city of Santa Rosa in Sonoma County, California. The expansion area has the same climate and other characteristics as the originally established Russian River Valley viticultural area. The added land accounts for less than a one percent increase in the original size of the viticultural area. In the past, some winegrape growers in the expansion area erroneously believed their vineyards to be within the boundaries of the Russian River Valley viticultural area. The newly expanded boundaries include 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, on the south. Within these boundaries approximately 365 acres are currently planted to grapes.

#### *Name Evidence*

The 767-acre expansion area was commonly considered to be part of the original Russian River Valley viticultural area. A Wine Country Living magazine map of viticultural areas, dated July 2002, shows the 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, which lies in the expansion area, is within the originally established boundaries. The Russian River Wine Road Web site (1998–2002) locates the Vintners Inn and Siduri Wines inside the Russian River viticultural area, although both are in the expansion area. In August 2002, the Russian River Valley Winegrape Growers Association Web site listed several members who are in the expansion area. Also, road signs indicate that the expanded boundary area is locally associated with the Russian River area.

#### *Boundary Evidence*

Historically, according to Mr. John Marcucci, whose family has owned thirty acres in the area for four generations, the land in the expansion area was used for prune orchards and vineyards. 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 changed, some orchards were replaced with vineyards. The previous owner of the Vintners Inn land claims that approximately 50 acres were devoted to French Colombard wine grapes and orchards. The orchards were removed about 25 years ago for Chardonnay, Pinot Blanc, and Sauvignon Blanc wine grape plantings. Currently, 48 percent, or almost half of the 767-acre 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.