

expansion area falls outside the original Russian River Valley viticultural area, the expansion's approval will mislead wine buyers. The commenter concludes that the petitioning winery should not be allowed to purchase land outside the established viticultural area's boundaries and then propose the area's expansion to include its purchased land.

In response, TTB notes that its 27 CFR part 9 regulations state that TTB shall receive and process petitions to establish viticultural areas and that such areas are found with the territorial extent of the entire United States, including the Russian River Valley. There is no regulatory provision to prohibit petitioners, who have purchased property outside the boundaries of an established American viticultural area, from proposing an expansion of the viticultural area's boundary line to include their property. We have also determined that the petition supports the requirements in 4.25a(e)(2) for the expansion of this viticultural area.

Two commenters oppose the Carano petition to expand the Russian River Valley viticultural area. Both argue that the expansion area does not comply with the American Viticultural Area regulations in 27 CFR part 9 because there is "substantial acreage outside the proposed expanded boundaries that is not significantly different, and in many cases is identical, to land within the proposed area of addition." Also, they explain there is no difference in climate, soils, or elevation in the areas immediately beyond the Carano boundary line expansion. One of the commenters separately states the Carano petition is "incomplete."

Both comment letters indicate that on January 17, 2003, the Russian River Valley Winegrowers group submitted a petition to expand the Russian River Valley viticultural area boundaries by 30,200 acres. This group's expansion petition includes the subject area of this final rule and, as discussed in the two comments, other areas with similar climate, soil and elevation. Both commenters requested that Carano's August 2002 petition for the 767-acre expansion of the Russian River Valley viticultural area, which is approved by this ruling, be joined with the January 2003 expansion petition of the Russian River Valley Winegrowers group.

In response to the opposition to the Carano petition, TTB notes that the two comments do not disagree with the petitioned 767-acre expansion, but believe that the expansion should be larger. The petitioner provided convincing evidence that the expansion

area complies with the 27 CFR part 9 and is similar to the established Russian River Valley area, with the same distinguishing cool, foggy climate. The Russian River Valley Winegrowers' January 2003 petition to expand the Russian River Valley viticultural area by 30,200 acres includes the 767-acre expansion area approved in this rule. Because of the five months between receipt of the 767-acre expansion petition in August 2002 and the winegrowers' expansion petition in January 2003, we will continue to process the January 2003 petition separately.

Therefore, through this final ruling, TTB incorporates the 767-acre expansion area into 27 CFR 9.66, Russian River Valley.

### Regulatory Analyses and Notices

#### *Paperwork Reduction Act*

This rule imposes no requirement to collect information. Therefore, the provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. 3507, and its implementing regulations, 5 CFR part 1320, do not apply.

#### *Regulatory Flexibility Act*

The Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, requires an agency to conduct a regulatory flexibility analysis on any proposed rule that may have a significant economic impact on a substantial number of small entities. We certify that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation imposes no new reporting, recordkeeping, or other administrative requirements.

The establishment of viticultural areas represents neither our endorsement nor approval of the quality of wine made from grapes grown in the areas. The use of viticultural names as appellations of origin merely allow vintners to better describe the origin of their wines to consumers and helps consumers identify the wines they purchase. Thus, any benefit derived from using a viticultural area name results from a proprietor's own efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

#### *Executive Order 12866*

This rule is not a significant regulatory action as defined by Executive Order 12866, 58 FR 51735. Therefore, it requires no regulatory assessment.

### Drafting Information

The principal author of this document is N.A. Sutton (Oregon), Regulations

and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau.

### List of Subjects in 27 CFR Part 9

Wine.

### Authority and Issuance

■ For the reasons discussed in the preamble, we amend title 27, chapter I, part 9, Code of Federal Regulations, as follows:

### PART 9—AMERICAN VITICULTURAL AREAS

■ 1. The authority citation for part 9 continues to read as follows:

**Authority:** 27 U.S.C. 205.

■ 2. Amend § 9.66, Russian River Valley viticultural area by removing "Road" and adding in its place "Avenue" at the end of paragraph (c)(9), by redesignating paragraphs (c)(12) through (c)(24) as (c)(14) through (c)(26), by revising paragraphs (c)(10) and (c)(11), and by adding new paragraphs (c)(12) and (c)(13) to read as follows:

#### Subpart C—Approved American Viticultural Areas

##### § 9.66 Russian River Valley.

\* \* \* \* \*

(c) \* \* \*

(10) Proceed north on Wright Avenue, which becomes Fulton Road, for approximately 3.8 miles to an unnamed unimproved road running to the east in Section 5 of T7W, R8W, which becomes a light duty road locally known as Francisco Avenue, and continue generally east on Francisco Avenue for about 0.6 mile to its intersection with the eastern boundary line of Section 5 in T7W, R8W, at a point where Francisco Avenue makes a 90° turn to the south.

(11) Proceed north along that section line for about 500 feet to a point due west of the intersection of Barnes Road and an unnamed light duty road locally known as Dennis Lane.

(12) Proceed straight east 1.2 miles, following Dennis Lane to its end, and continuing straight east to U.S. Highway 101, passing onto the Santa Rosa map in the process.

(13) Proceed 1.3 miles straight northwest along U.S. Highway 101, passing onto the Sebastopol map, to its intersection with an unnamed medium duty road locally known as River Road west of U.S. Highway 101 and as Mark West Springs Road east of U.S. Highway 101.

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