

notice of public hearing (REG-146893-02, REG-115037-00), that was the subject of FR Doc. 03-22550, are corrected as follows:

1. On page 53448, column 1, in the preamble under the paragraph heading "DATES", second line of the paragraph, the language "must be received December 9, 2003." is corrected to read "must be received by December 9, 2003."

2. On page 53449, column 2, in the preamble under the paragraph heading "2. Income Attributable to Intangibles", fifth line of the paragraph, the language, "property. The Taxpayers and other" is corrected to read "property. Taxpayers and other".

3. On page 53455, column 3, in the preamble under the paragraph heading "10. Total Services Costs—§ 1.482-9(j)", the last line of the paragraph, the language, "analysis of the result expressed as ration" is corrected to read "analysis of the result expressed as the ratio".

4. On page 53464, column 3, following § 1.482-6(c)(3)(i)(B)(2), paragraph (c)(3)(ii) is added to read as follows:

§ 1.482-6 Profit split method.

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(c) * * *

(3) * * * (i) * * *

(ii) * * *

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5. On page 53473, columns 2 and 3, § 1.482-9(f)(2)(iv)(A) through (C) introductory text are corrected to read as follows:

§ 1.482-9 Methods to determine taxable income in connection with a controlled services transaction.

* * * * *

(f) * * *

(2) * * *

(iv) Measurement of limitation on allocations: The rules of paragraphs (f)(2)(i) and (ii) of this section are expressed in this paragraph (f)(2)(iv) in equations and a table.

(A) The minimum arm's length markup necessary for an allocation by the Commissioner (Z) is the sum of the markup charged by the taxpayer (X) and the applicable number of percentage points determined under paragraph (f)(2)(ii) of this section (Y). Where the markup charged by the taxpayer is not less than zero, the minimum arm's length markup necessary for allocation by the Commissioner (Z) also equals the lesser of—

(1) The sum of six percentage points and half of the markup charged by the taxpayer (X); and

(2) Ten percentage points.

(B) The equations in paragraph (f)(2)(iv)(A) of this section may also be expressed as follows:

$$Z = X + Y = \min((6\% + 0.5 \times X), 10\%)$$

where $X \geq 0$.

(C) The following table illustrates the results of these calculations in representative cases:

* * * * *

6. On page 53480, column 1, § 1.482-9(l)(4), *Example 12*, the last line of the paragraph, the language, "therefore Company Y is considered to obtain." is corrected to read "therefore Company Y is considered to obtain a benefit from the activities."

Cynthia E. Grigsby,

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

RIN: 1512-AC62

[Notice No. 24]

Proposed Trinity Lakes Viticultural Area (2001R-32P)

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 "Trinity Lakes" viticultural area in Trinity County, California. The proposed viticultural area consists of approximately 96,000 acres surrounding Trinity and Lewiston lakes and a portion of the Trinity River basin below Lewiston Dam. We invite comments on this proposal.

DATES: We must receive written comments on or before February 17, 2004.

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. 24);
- 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 this notice and any comments received at <http://www.ttb.gov/alcohol/rules/index.htm>

or by appointment at our library, 1310 G Street, NW., Washington, DC 20005; phone 202-927-8210.

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: Tim DeVanney, Specialist, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, 650 Massachusetts Avenue, NW., Washington, DC 20226; telephone 202-927-8210.

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 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. 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 4.25(e)(1) defines an American viticultural area as a delimited grape-growing region distinguishable by geographic features whose boundary has 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 4.25(e)(2) outlines the procedure for proposing an American viticultural area. Anyone interested may