

member of the taxpayer's affiliated group holds the ownership interest. The directly allocated interest expense shall be apportioned among all of the FASIT gross income of the affiliated group (or the taxpayer, if the taxpayer is not a member of an affiliated group) under the asset method described in § 1.861-9T(g).

(3) *FASIT period.* After a FASIT's startup day (as defined in section 860L(d)(1)), the taxpayer must allocate the interest expense of the FASIT according to the rules of this paragraph (f) during the entire period that the arrangement continues to be a FASIT. If an arrangement ceases to be a FASIT, interest expense with respect to the ceased FASIT arrangement shall no longer be allocated and apportioned under the rules of this paragraph (f) as of the time the arrangement is treated as having ceased in accordance with § 1.860H-3(b). The Commissioner may continue to allocate interest expense with respect to a ceased FASIT arrangement under this paragraph (f) if the Commissioner determines that the principal purpose of ending the arrangement's qualification as a FASIT was to affect the taxpayer's interest expense allocation.

(4) *Application of special rules.* In applying this paragraph (f), the rules of paragraph (d)(2) of this section shall apply.

(5) *Definitions.* For purposes of this paragraph (f):

(i) *FASIT defined.* FASIT has the meaning given such term in § 1.860H-1(a).

(ii) *FASIT interest expense defined.* (A) In general. FASIT interest expense means any amount paid or accrued by or on behalf of a FASIT to a holder of a regular interest in such FASIT, if such amount is—

(1) treated as incurred by the taxpayer or any member of the taxpayer's affiliated group by reason of § 1.860H-6(a), because the taxpayer or such member holds the ownership interest in a FASIT; and

(2) treated as interest by reason of section 860H(c).

(B) *Interest equivalents.* FASIT interest expense includes any expense or loss from a hedge that is a permitted asset (as described in § 1.860H-2 (d) and (e)), but only to the extent such expense or loss is an interest equivalent as described in § 1.861-9T(b).

(iii) *FASIT gross income defined.* FASIT gross income means gross income of the taxpayer's affiliated group (or the taxpayer, if the taxpayer is not a member of an affiliated group) treated as received or accrued by the taxpayer, or any member of the taxpayer's

affiliated group, by reason of § 1.860H-6(a).

(iv) *Affiliated group defined.* Affiliated group has the meaning given such term by § 1.861-11T(d).

(6) *Coordination with other provisions.* If any FASIT interest expense is directly allocable under both this paragraph (f) and paragraph (b) or (c) (determined without regard to this paragraph (f)(6)), only the rules of this paragraph (f) shall apply.

(7) *Effective date.* The rules of this section apply for taxable years beginning after December 31, 1986. However, paragraphs (a) and (f) apply as of the date final regulations are filed with the **Federal Register**, and paragraph (e) applies to all taxable years beginning after December 31, 1991.

**Robert E. Wenzel,**

*Deputy Commissioner of Internal Revenue.*

[FR Doc. 00-1896 Filed 2-4-00; 8:45 am]

**BILLING CODE 4830-01-U**

## DEPARTMENT OF THE TREASURY

### Bureau of Alcohol, Tobacco and Firearms

#### 27 CFR Part 9

[Notice No. 891]

RIN 1512-AA07

#### Expansion of Lodi Viticultural Area (98R-109P)

**AGENCY:** Bureau of Alcohol, Tobacco and Firearms, Treasury.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Bureau of Alcohol, Tobacco and Firearms (ATF) has received a petition for expansion of the Lodi Viticultural Area. The proposed additions to the Lodi Viticultural Area are located in San Joaquin County, California, in the northern San Joaquin Valley. The additions are situated contiguous to the western and southern boundaries of the current viticultural area. The proposed western addition encompasses approximately 14,500 acres, of which 3,640 acres are planted to vineyards. Situated contiguous to the southern boundary of the viticultural area, the proposed southern addition encompasses approximately 66,600 acres, of which 5,600 acres are planted to vineyards. Attorney Christopher Lee, on behalf of nine (9) growers who own vineyards within the proposed expansion area, submitted the petition. According to the petitioner, the importance of Lodi as a viticultural area demands that particular care be taken in extending the viticultural area

boundaries, in order to safeguard the region's identity, integrity, and reputation. The petitioner states that this petition adds only that land which meets all the historical and geographical criteria that distinguish the Lodi viticultural area.

**DATES:** Written comments must be received by April 7, 2000.

**ADDRESSES:** Send written comments to: Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20091-0221 (Attn: Notice No. 891). Copies of the petition, the proposed regulations, the appropriate maps, and any written comments received will be available for public inspection during normal business hours at the ATF Reading Room, Office of Public Liaison and Information, Room 6480, 650 Massachusetts Avenue, NW., Washington, DC 20226.

#### FOR FURTHER INFORMATION CONTACT:

Joyce Drake, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue, NW., Washington, DC 20226 (202) 927-8210.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 23, 1978, ATF published Treasury Decision ATF-53 (43 FR 37672-54624), which revised regulations in 27 CFR part 4 to allow the establishment of definitive viticultural areas. The regulations allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements. On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 56692) which added a new part 9 to 27 CFR, for the listing of approved American viticultural areas, the names of which may be used as appellations of origin.

Section 4.25a(e)(1), Title 27, CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographic features, the boundaries of which are delineated in subpart C of part 9.

Section 4.25a(e)(2), outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area.

The petition to expand a current viticultural area should include:

(a) Historical or current evidence that the boundaries of the viticultural area to be expanded are as specified in the petition;

(b) Evidence relating to the geographical characteristics (climate,

soil, elevation, physical features, etc.) which distinguished the viticultural features of the proposed area from surrounding areas;

(c) A description of the specific boundaries of the viticultural area, based on features which can be found on United States Geological Survey (U.S.G.S.) maps of the largest applicable scale; and

(d) A copy of the appropriate U.S.G.S. map(s) with the boundaries prominently marked.

#### Petition

The Bureau of Alcohol, Tobacco and Firearms (ATF) has received a petition proposing the expansion of the Lodi American viticultural area (AVA). The proposed additions to the Lodi AVA are located in San Joaquin County, California, in the northern San Joaquin Valley. Situated contiguous to the western boundary of the current viticultural area, the proposed western addition encompasses approximately 14,500 acres, of which 3,640 acres are planted to vineyards. Situated contiguous to the southern boundary of the viticultural area, the proposed southern addition encompasses approximately 66,600 acres, of which 5,600 acres are planted to vineyards.

#### Evidence That the Name of the Area Is Locally or Nationally Known

According to the petitioner, there is evidence of the region's local and national renown which was detailed in the Lodi viticultural area petition submitted to the ATF in August of 1982, and summarized in the final rulemaking for the Lodi viticultural area, published in the **Federal Register** on February 13, 1986.

The petitioner states that he is persuaded after reviewing the evidence and consulting with growers in the Lodi viticultural area, that the current viticultural boundaries do not accurately encompass land historically and geographically recognized as within the Lodi grape growing region. The petitioner further states that, while not included in the original petition to establish the Lodi viticultural area, it is now apparent that the two additions proposed in this petition, the first along the western boundary adjacent to Interstate Highway 5, the second along the southeastern boundary south of the Calaveras River, should be included in the Lodi viticultural area because they share the viticultural area's name identification and geographical features. Further, the petitioner claims that the viticultural area and the proposed additions contrast sharply with land beyond the revised boundaries

presented in this petition, which are geographically distinct from Lodi.

According to the petitioner, both *The Grape Districts of California H.I. Stoll* (1931) and *California Wine Country* (Lane Books 1968) define the Lodi grape growing region as a larger area than that presented in the original viticultural area petition. The former document additionally shows that the Lodi name was used in this context as early as 1931.

ATF approved the Lodi original petition in 1986, and determined that the name "Lodi" was recognized locally and nationally.

#### Historical or Current Evidence That the Boundaries of the Viticultural Area Are as Specified in the Petition

According to the petitioner, Lodi has a long viticultural history and strong regional identity. Precise boundaries for the region were not delineated until 1986 with the establishment of the Lodi viticultural area. The petitioner states that, in 1991, the Lodi name became associated with a second, far larger area with the creation of the Lodi-Woodbridge Wine Commission, established in California Crush District 11 by grower and winery mandate for the purposes of regional promotion, research and education. Per the petitioner, this petition does not attempt to reconcile these two entities. Rather, this petition proposes the previously described additions to the Lodi viticultural area which, based on name identity and natural features, should have been encompassed by the original petition. He stated that special care has been taken to assure that the modified boundaries maintain both the historic and geographic integrity of the existing Lodi viticultural area.

According to the petitioner and, as noted in the section addressing historical evidence, the Lodi grape-growing region is described in broader terms than those presented and approved in the original Lodi viticultural area petition. *The Soil Survey of the Lodi Area, California* (1937) states as follows: "Essentially comprising the northern half of the San Joaquin County, the Lodi area is bounded on the south by parallel 38 north latitude and on the north by the San Joaquin-Sacramento County line along Dry Creek and Mokelumne River. The western area includes a small part of Sacramento County and extends to the Sacramento River; and on the east it extends to the San Joaquin County line in the foothills of the Sierra Nevada."

The petitioner stated that, while similar to *The Soil Survey of the Lodi Area, California* in its overall depiction

of Lodi's boundaries, *California Wine Country* defines the western boundary of the Lodi grape growing region in a slightly more restrictive manner stating "Lodi nestles within the angle formed by the meeting of the Sacramento and San Joaquin Rivers," but not extending to those rivers' banks.

The petitioner stated that *The Grape Districts of California* clearly shows that the Lodi grape growing region extends south beyond both the current southern boundary of the Lodi viticultural area and the latitude 38 degrees north limit detailed above, stating that, "The Lodi section takes in the south line of Stockton . . . while the Manteca, Escalon and Ripon sections take in from the south line of Stockton to the north to Stanislaus County line on the south." According to the petitioner, "Wines & Vines" magazine of September, 1936, confirms this extension, stating, "San Joaquin County's 60,065 acres in vines comprise two important districts, where some 47 varieties are grown commercially: the Lodi Section and the Manteca, Escalon and Ripon Section." The petitioner contends that, since Manteca, Escalon and Ripon are located 15 miles to 20 miles south of Stockton, near San Joaquin County's southern boundary, this description strongly suggests that vineyards situated to the east of Stockton were recognized as being within the Lodi grape growing region.

The petitioner believes that this evidence provides strong historical basis for modification of the Lodi viticultural area boundaries to those proposed in this petition.

According to the petitioner, the proposed additions encompassed by these boundary changes contain approximately 29 vineyards totaling 9,240 acres planted to vineyards. Approximately 80,000 acres in total are proposed for addition to the existing Lodi area. He further states that evidence presented in Section Three of this petition details the geographic features which distinguish them from surrounding areas. Although a few vineyards are situated just outside both revised boundaries, these exclusions are due to the conservative approach of this petition. This conservative approach requires that the land encompassed by the new boundaries meet both the historical and geographic standards established in the original Lodi viticultural area.

The petitioner states that the proposed expansion of the Lodi viticultural area is supported by growers in the region. The petitioner stated that the letter from Mr. Bob Schulenburg of the Lodi District Grape Growers

Association, Inc. reflects the general support this expansion has received from the Lodi viticultural community.

The petitioner states that the new boundaries of the Lodi viticultural area have been drawn to add only that land that meets the regulatory criteria set forth in 27 CFR 4.25a (e)(2). The proposed western boundary closely follows the zero (sea level) elevation west of Interstate Highway 5, while the proposed southern boundary follows State Highway 4 between Jack Tone Road and the San Joaquin County line. The petitioner stated that the areas proposed for inclusion in the viticultural area are supported by evidence of name and boundary recognition as well as by specific criteria including soils, climate, elevation and exposure, which distinguish them from areas to the west and south.

**Evidence Relating to the Geographical Features (Climate, Soil, Elevation, Physical Features, Etc.) Which Distinguish Viticultural Features of the Proposed Area From Surrounding Areas**

*Climate*

According to Mr. Steven Newman, Meteorologist, Earth Environment, Santa Rosa, California, the proposed additions to the existing Lodi viticultural area have a climate nearly identical to the existing appellation. Both additions receive the same moderating influences of the Sacramento Delta winds that define the current boundaries, while areas just outside have climates distinctly different from both the additions and land within the existing boundaries. Every significant climate feature, such as rainfall, degree-days, frost occurrence and mean temperatures, are virtually the same within the proposed additions as those that occur inside the existing Lodi viticultural area.

Mr. Newman stated that the area west of Interstate Highway 5 experiences essentially the same climate as that within the existing Lodi viticultural area. The pronounced seabreezes from the San Francisco Bay and Sacramento Delta provide nearly identical conditions to those found within the original western boundary. There is no discernible difference in average growing season, monthly mean temperature, or rainfall throughout this addition from that which exists in the current Lodi viticultural area.

According to Mr. Newman, areas immediately to the south and southwest of the proposed addition, however, have a distinctly different climate due to the

sharp drop-off of the Delta winds and other terrain effects. Lower humidity levels associated with a greater distance from the moist winds produce cooler overnight temperatures and warmer "rain-show" effect of the Diablo mountain range. The climate of the proposed western addition is also distinctively different from the more moist Delta region, to the west of the proposed boundary, which experiences cooler summers, and far more frequent summertime fog.

Mr. Newman claims that records indicate that the monthly mean temperature during the growing season for Linden, in the heart of the proposed southern addition, is within approximately two degrees of the readings from Lodi, and well within the range of temperatures throughout the existing viticultural area. He further states that, by contrast, records for Stockton, located in a site less influenced by marine cooling through the narrow Delta gap, show an average nearly five degrees warmer.

According to Mr. Newman, areas just a few miles to the east of the proposed addition, in western Calaveras County, receive significant cold-air drainage from the Sierra Nevada foothills, causing more frequent frost and a shorter growing season. The more upland locations also receive an increase in rainfall associated with the higher elevations.

Mr. Newman stated that rainfall records for this proposed addition show an annual precipitation range of approximately 14 to 18 inches. These totals are consistent with those received within the existing boundaries. He stated that, in sharp contrast, rainfall totals to the south drop off rapidly due to a more arid climate associated with the remainder of the San Joaquin Valley.

In summary, according to Mr. Newman, the climatic evidence clearly supports a modification of both the southern and western boundaries of the Lodi viticulture area to include the proposed additions. All climate factors within these additions are nearly identical to those within the existing appellation. Climate evidence also substantiates that conditions outside the areas to be included are significantly different from the existing Lodi viticultural area and the proposed additions.

*Soils*

The petition indicates that the soils of the proposed expansion area are substantially similar to those of the existing viticultural area. Mr. Sidney W. Davis of Davis Consulting Earth Scientists, Georgetown, California,

states that soils of the Lodi viticultural area derive mainly from mixed mineral alluvium, products of weathering, erosion and deposition along the western slope of the Sierra Nevada. Source materials are varied, consisting of Mesozoic igneous, Paleozoic and Jurassic metamorphics, and Tertiary-age volcanic lithology outcropping along the foothills. Older alluvium nests along toe slopes of the foothills on the Great Valley's east side, descending in elevation and age, westward, to below sea level at the Sacramento-San Joaquin Delta interface.

Mr. Davis claims that paleoclimatic fluctuations over the past two million years caused glaciers to advance in the Sierra Nevada, periodically lowering regional base level (sea level) by several hundred feet, which prompted incision on the major drainages. Interruptions of warm, dry periods resulted in glacial melt, thus releasing water and sediment for valley filling. These cyclical events, each lasting many thousands of years, continued throughout the Pleistocene Epoch, and in conjunction with regional tectonic uplift, had an effect of wearing down and fragmenting older terraces by deep incision along major drainages of the Consumnes River, Dry Creek, Mokelumne River, and the Calaveras Rivers. Downcutting on the major rivers and streams, punctuated by periods of aggradation, in conjunction with regional uplift of the Sierra Nevada, caused younger deposits to inset along flood plains at relatively lower geomorphic position, leaving relatively older alluvial surfaces stranded at higher elevation. Transition periods of relative stability between major events allowed the soil forming factors of climate biota, slope-aspect parent materials and time of exposure to develop and sculpt the landforms now present. Very young soils with little development characteristics, Holocene-age deposits, and histosols (organic soils) are present along the active flood plains of streams and perimeter of the Sacramento-San Joaquin Delta.

According to Mr. Davis, subsequent to the latest Sierra glaciation and rise of sea level, the present-day Sacramento-San Joaquin Delta with its associated peaty soils formed sometime around 5,000 years ago, when sea level finally reached its present elevation (Mean Sea Level—00 Feet). He further stated that, around the turn of the 20th Century, the banks of coalescing rivers, channels and sloughs within the Delta region were bermed to create a system of man-made levees. "Islands" of peat soils within the levees were created at or below Mean Sea Level by installation of a broad grid system of open ditches, pipes and

pumps for lowering of the water table to facilitate agricultural production. Exposure of the peat soils to the atmosphere subsequent to draining has induced rapid oxidation and subsidence within the Delta region, ever since.

Mr. Davis provided an abbreviated description of soils within the Lodi viticultural area, utilizing information from the USDA Soil Conservation Service's Generalized Soil Map for Sacramento and San Joaquin counties. He stated that soil associations are presented as most representative of soil mapping units characteristic of broader geomorphic units. According to the petition, these soils share properties distinctive to the Lodi viticultural area with regard to viticultural use and management under the present-day climatic regime.

#### Mineral Soils of the Current Lodi Viticultural Area

Mr. Davis stated that, between the two published soil surveys for Sacramento and San Joaquin Counties, there are twenty-two soil map unit associations identified in the existing Lodi Viticultural Area. *All twenty-two soil mapping units are identified in the proposed expansion area.* He stated that no other soil association mapping units are proposed for the expansion areas. There may be small isolated areas of organic soils along the Mean Sea Level margin that protrude into the proposed expansion area, but these occurrences are minimal and necessary to exact a reasonable map boundary line.

According to Mr. Davis, to avoid redundancy between the two soil survey reports for Sacramento and San Joaquin Counties, the major soil associations have been combined in the following groups and are used for the current, proposed western and southern expansion viticultural areas:

#### Natural Levees and Low Flood Plains Soils

Peliter-Egbert-Sailboat: Very deep mineral soils with high organic matter content. They are partially drained, moderately fine textured and moderately alkaline. These reside near the confluence of the Consumnes and Mokelumne rivers.

Merritt-Grangeville-Columbia-Vina-Coyotecreek: Nearly level, very deep and from poorly drained to moderately well drained. Textures range from moderately coarse to moderately fine. These soils are easy to manage with moderate permeability and moderately high to high waterholding capacity, moderately alkaline.

#### Basins and Basin Rim Soils

Jacktone-Hollenbeck-Stockton: Basin soils, somewhat poorly drained and moderately well drained, fine textured soils that are moderately deep and deep to a cemented hardpan. Most areas have been artificially drained and are moderately alkaline.

Devries-Rioblancho-Guard: Basin rim soils of moderately fine texture to moderately coarse texture. Moderately deep to cemented hardpan. Mildly to moderately alkaline.

#### Interfan Basins and Alluvial Fans, Low Fan Terraces and Stream Soils

Archerdale-Cogna-Finrod: Moderately well drained and well drained, medium textured to moderately fine textured soil that are deep to hardpan, or very deep on low terraces. Neutral to mildly alkaline.

Tokay-Acampo: Moderately well-to well-drained, moderately coarse to medium textured that are deep to cemented hardpan or are very deep on low fan terraces. Mildly alkaline to slightly acid.

#### Nearly Level to Undulating Soils on Low Terraces

Madera-San Joaquin-Burella: Moderately well-and well drained, moderately coarse to medium textured that are moderately deep or deep to cemented hardpan. Slightly acid.

#### Nearly Level to Steep Soils on Dissected Terraces, Fan Terrace, High Terraces and Hills

Cometa-San Joaquin-Rocklin: Moderately well drained, moderately coarse textured soils that are moderately deep to weakly cemented sediment, or a cemented hardpan on dissected terraces. Slightly to moderately acid.

Pentz-Pardee-Keyes-Hadslkeville-Mokelumne: Moderately well drained and well drained, moderately coarse texture and gravelly medium textured soils that are shallow to sandstone, conglomerate, or cemented hardpan on hills and high terraces. Moderately acid.

Redding-Redbluff-Yellowlark: Moderately well drained, gravelly medium textured soils that are moderately deep and deep to a cemented hardpan, mainly on fan terraces and high terraces. Moderately acid.

#### Undulating to Hilly Soils on Low Foothills

Auburn-Whiterock-Argonaut: Somewhat excessively and well-drained soils moderately coarse to moderately fine textured that are very shallow to moderately deep. Moderately acid.

According to Mr. Davis, soils below Mean Sea Level have been, as much as possible, differentiated and excluded from the proposed Lodi viticultural area expansion due to a differing moisture control regime, geomorphic position and relative organic matter content.

Mr. Davis stated that, with respect to viticultural use and management, water tables north of Walnut Grove Road within the proposed expansion area are lower (deeper) than further south. Vine moisture control is critical to wine grape quality prior to harvest. Ripening varies among grape varieties that are usually segregated into individual blocks, fields or specific moisture control systems that are regulated by irrigation or soil profile drainage, or both. Soils above Mean Sea Level have deep drainage systems, and allow for water table management in the root zone and precise moisture control. The proposed area to the west is at the zero elevation level.

Mr. Davis asserts that most soils below elevation 00 are mainly characterized as Histosols, meaning that they contain upwards of 20 percent organic matter, are moderately to strongly acidic, and represent a unique and different geomorphological province than the mineral soils above Mean Sea Level to the east. The richness of oxidizing organic matter in the way of available nutrients to a crop during the growing season is significantly higher than contributions from oxidizing mineral soils, on an annual basis. Complex chemical reactions separate the peaty soils below Mean Sea Level from soils derived from mineral parent materials from a use and management standpoint.

#### Mr. Davis' Summary and Conclusions

Mr. Davis summarized his comments by stating the proposed changes to the Lodi viticultural area are consistent with geomorphic and soil mapping units found within the existing boundaries. Mr. Davis stressed that all the soils in the proposed expansion areas are mapped within the existing Lodi viticultural area. Only soils found in the existing viticultural area are proposed for the expansion area, with the exception of some limited and isolated inclusions of peaty soils along the diffuse natural western boundary. A line conforming to roads, and elevation contours, roughly at the Mean Sea Level mark, is intended to separate the mineral soil from the peats on the west. County lines, roads and natural features define the remaining boundaries.

### Proposed Boundaries

The boundaries of the proposed viticultural area, as expanded, are as specified in the proposed regulation.

### Public Participation—Written Comments

The petitioner presents evidence of boundaries and of geographical features relating to soils. ATF is interested in comments relating to whether the geographical features, such as elevation, exposure, or other physical characteristics of the proposed expansion area are more similar to the existing Lodi viticultural or to the land outside of the proposed expansion area.

ATF requests comments from all interested persons. Comments received on or before the closing date will be carefully considered. Comments received after that date will be given the same consideration if it is practical to do so. However, assurance of consideration can only be given to comments received on or before the closing date.

ATF will not recognize any submitted material as confidential and comments may be disclosed to the public. Any material which the commenter considers to be confidential or inappropriate for disclosure to the public should not be included in the comments. The name of the person submitting a comment is not exempt from disclosure.

Comments may be submitted electronically using ATF's web site. You may comment on this proposed notice by using the form provided through ATF's web site. You can reach this notice and the comment form through the address <http://www.atf.treas.gov/core/alcohol/rules/rules.htm> or by making the following choices at ATF's web site: (1) select "Core Areas" tab; (2) select "Alcohol" tab; (3) select "Regulations" tab; and (4) select "notice of proposed rulemaking (alcohol)" line.

Any person who desires an opportunity to comment orally at a public hearing on the proposed regulation should submit his or her request, in writing, to the Director within the 60-day comment period. The Director, however, reserves the right to determine, in light of all circumstances, whether a public hearing will be held.

### Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this notice because no requirement to collect information is proposed.

### Regulatory Flexibility Act

It is hereby certified that this proposed regulation will not have a significant impact on a substantial number of small entities. The expansion of a viticultural area is neither an endorsement nor approval by ATF of the quality of wine produced in the area, but rather a further identification of an area that is distinct from surrounding areas. ATF believes that the expansion of a viticultural area merely allows wineries to more accurately describe the origin of their wines to consumers. Also it helps consumers identify the wines they purchase. Thus, any benefit derived from the use of a viticultural area name is the result of the proprietor's efforts and consumer acceptance of wine from that area. No new requirements are proposed. Accordingly, a regulatory flexibility analysis is not required.

### Executive Order 12866

It has been determined that this proposed regulation is not a significant regulatory action as defined by Executive Order 12866. Accordingly, this proposal is not subject to the analysis required by this Executive Order.

Drafting Information. The principal author of this document is Joyce A. Drake, Regulations Division, Bureau of Alcohol, Tobacco and Firearms.

### List of Subjects in 27 CFR Part 9

Administrative practices and procedures, Consumer protection, Viticultural areas, and Wine.

### Authority and Issuance

Title 27, Code of Federal Regulations, Part 9, American Viticultural Areas, is proposed to be amended as follows:

### PART 9—AMERICAN VITICULTURAL AREAS

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

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

**Par. 2** Section 9.107 is amended by revising paragraphs (b) and (c) to read as follows:

#### § 9.107 Lodi

(a) \* \* \*

(b) Approved maps. The appropriate maps for determining the boundaries of the Lodi viticultural area are 23 U.S.G.S. 7.5 minute series maps and are titled as follows:

1. "Valley Springs SW, Calif." (1962)
2. "Farmington, Calif." (1968, photo revised 1987)
3. "Peters, Calif." (1952, photo revised 1968, minor revision, 1994)

4. "Linden, Calif." (1968, minor revision 1993)
5. "Stockton East, Calif." (1968, photo revised 1987)
6. "Waterloo, Calif." (1968, photo inspected 1978)
7. "Lodi South, Calif." (1968, photo revised 1976)
8. "Terminous, Calif." (1978, minor revision 1993)
9. "Thornton, Calif." (1978)
10. "Bruceville, Calif." (1968, photo revised 1980)
11. "Florin, Calif." (1968, photo revised 1980)
12. "Elk Grove, Calif." (1968, photo revised 1979)
13. "Sloughhouse, Calif." (1968, photo revised 1980, minor revision 1993)
14. "Buffalo Creek, Calif." (1967, photo revised 1980)
15. "Folsom SE, Calif." (1954, photo revised 1980)
16. "Carbondale, Calif." (1968, photo revised 1980, minor revision 1993)
17. "Goose Creek, Calif." (1968, photo revised 1980, minor revision 1993)
18. "Clements, Calif." (1968, minor revision 1993)
19. "Wallace, Calif." (1962)
20. "Lodi North, Calif." (1968, photo revised 1976)
21. "Galt, Calif." (1968, photo revised 1980)
22. "Clay, Calif." (1968, photo revised 1980, minor revision 1993)
23. "Lockeford, Calif." (1968, photo revised 1979, minor revision 1993)

(c) Boundaries. The Lodi viticultural area is located in California in the counties of San Joaquin and Sacramento.

1. The beginning point is located in the southeast corner of the viticultural area, where the Calaveras River intersects the eastern boundary of San Joaquin County ("Valley Springs SW" U.S.G.S. map);
2. Thence south along the common boundary between San Joaquin County and Stanislaus County to Highway 4 (beginning in "Valley Springs SW" map and ending in "Farmington" map);
3. Thence west to Waverly Road, then south to Highway 4, then west again along Highway 4 to the point of intersection with Jack Tone Road (beginning in Valley Springs SW" map passing through "Peters" map and ending in "Stockton East" map);
4. Thence north along Jack Tone Road to the point of intersection with Eightmile Road (beginning in "Stockton East" map and ending in "Waterloo" map);
5. Thence west along Eightmile Road to the point of intersection with Sea

- Level (beginning in "Waterloo" map, passing through "Lodi South" map and ending in "Terminus" map);
6. Thence north northwest along Sea Level elevation to the point where it reaches the unnamed extension of White Slough ("Terminus" map);
  7. Thence east along the unnamed extension of White Slough to the point where it forks ("Terminus" map);
  8. Thence northwest and north along the northern fork of the unnamed extension of White Slough to its termination ("Terminus" map);
  9. Thence due west in a straight line to Guard Road ("Terminus" map);
  10. Thence north along Guard Road to the point of intersection with Victor Road (beginning in "Terminus" map and ending in "Thornton" map);
  11. Thence north northwest in a straight line to the pumping station of the north bank of Hog Slough ("Thornton" map);
  12. Thence due north along the unnamed canal, crossing Beaver Slough and continuing due north along the unnamed road to the point where it intersects Walnut Grove Road at Four Corners ("Thornton" map);
  13. Thence west along Walnut Grove Road to the point where it intersects South Mokelumne River ("Thornton" map);
  14. Thence north along South Mokelumne River to the point where Mokelumne River divides into North and South forks ("Thornton" map);
  15. Thence north and east along Mokelumne River to the point where it intersects Interstate Highway 5 (beginning in "Thornton" map and ending in "Bruceville" map);
  16. Thence northwest along Interstate Highway 5 to its intersection with an unnamed road (known locally as Hood-Franklin Road) (beginning in the "Bruceville" map and ending in the "Florin" map);
  17. Thence east along Hood-Franklin Road to its intersection with Franklin Boulevard ("Florin" map);
  18. Thence northeast along the Franklin Boulevard to its meeting point with the section line running due east and its connection with the western end of Sheldon Road ("Florin" map);
  19. Thence due east along the section line connecting to the western end of Sheldon Road ("Florin" map);
  20. Thence due east along Sheldon Road to its intersection with the Central

- California Traction Co. Railroad (beginning in "Florin" map and ending in "Elk Grove" map);
21. Thence southeast along the Central California Traction Co. Railroads to its point of intersection with Grant Line Road ("Elk Grove" map);
  22. Thence northeast along Grant Line Road to the point of intersection with California State Highway 16 (beginning in "Elk Grove" map, passing through "Sloughhouse" map and ending in "Buffalo Creek" map);
  23. Thence southeast along California State Highway 16 to the point of intersection with Deer Creek (beginning in "Buffalo Creek" map and ending in "Sloughhouse" map);
  24. Thence northeast along Deer Creek to the point of intersection with the eastern boundary of Sacramento County (beginning in "Sloughhouse" map and ending in "Folsom SE" map);
  25. Thence southeast along the eastern boundary of Sacramento county and then along the eastern boundary of San Joaquin County to the point of intersection with the Calaveras River, to the point of beginning (beginning in "Folsom SE" map, passing through "Carbondale", "Goose Creek", "Clements" and "Wallace" maps, and ending in "Valley Springs, SW" map).

Signed: January 27, 2000.

**Bradley A. Buckles,**  
*Director.*

[FR Doc. 00-2716 Filed 2-4-00; 8:45 am]

**BILLING CODE 4810-31-P**

## DEPARTMENT OF TRANSPORTATION

### Coast Guard

#### 33 CFR Parts 100, 110 and 165

[CGD01-99-050]

RIN 2115-AA97, AA98, AE46

#### Temporary Regulations: OPSAIL 2000/ International Naval Review 2000 (INR 2000), Port of New York/New Jersey

**AGENCY:** Coast Guard, DOT.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Coast Guard proposes to establish temporary regulations in New York Harbor, Sandy Hook Bay, the Hudson and East Rivers, and the Kill Van Kull for OPSAIL 2000/INR 2000 activities. This action is necessary to provide for the safety of life on navigable waters during OPSAIL 2000/INR 2000. This action is intended to

restrict vessel traffic in portions of New York Harbor, Sandy Hook Bay, the Hudson and East Rivers, and the Kill Van Kull.

**DATES:** Comments and related material must reach the Coast Guard on or before March 23, 2000.

**ADDRESSES:** You may mail comments and related material to the Waterways Oversight Branch (CGD01-99-050), Coast Guard Activities New York, 212 Coast Guard Drive, Staten Island, New York 10305, or deliver them to room 203 at the same address. Coast Guard Activities New York maintains the public docket for this rulemaking. Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, will become part of this docket and will be available for inspection or copying at room 205, the Waterways Oversight Branch of Coast Guard Activities New York, between 8 a.m., e.s.t. and 3 p.m., e.s.t. Monday through Friday, except Federal holidays.

**FOR FURTHER INFORMATION CONTACT:** Lieutenant J. Lopez, Waterways Oversight Branch, Coast Guard Activities New York (718) 354-4193.

#### SUPPLEMENTARY INFORMATION:

##### Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related material. If you do so, please include your name and address, identify the docket number for this rulemaking (CGD01-99-050), indicate the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and related material in an unbound format, no larger than 8 1/2 by 11 inches, suitable for copying. If you would like to know they reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this proposed rule in view of them.

##### Public Meeting

We do not now plan to hold a public meeting. But you may submit a request for a meeting by writing to the Waterways Oversight Branch of Coast Guard Activities New York at the address under **ADDRESSES** explaining why one would be beneficial. If we determine that one would aid this rulemaking, we will hold one at a time and place announced by a later notice in the **Federal Register**.