

effects on a substantial number of small entities, or impose, or otherwise cause, a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities.

Accordingly, it is hereby certified under the provisions of section 3 of the Regulatory Flexibility Act (5 U.S.C. 605(b)), that this final rule will not have a significant economic impact on a substantial number of small entities.

**Disclosure**

A copy of the petition and the comment received are available for inspection during normal business hours at the following location: ATF Reading Room, Room 4407, Office of Public Affairs and Disclosure, 12th and Pennsylvania Avenue NW., Washington, DC 20226.

**Drafting Information**

The principal author of this document is Edward A. Reisman, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms.

**List of Subjects in 27 CFR Part 9**

Administrative practice and procedure, Consumer protection, Viticultural areas and Wine.

**Authority**

Accordingly, under the authority in 27 U.S.C. 205 (49 Stat. 981, as amended), the Director proposes the amendment of 27 CFR Part 9 as follows:

**PART 9—AMERICAN VITICULTURAL AREAS**

**Paragraph 1.** The table of sections in 27 CFR Part 9, Subpart C, is amended to add the title of § 9.93 to read as follows:

**Subpart C—Approved American Viticultural Areas**

Sec.  
\* \* \* \* \*  
9.93 Mendocino.

**Par. 2.** Subpart C is amended by adding § 9.93 to read as follows:

**Subpart C—Approved American Viticultural Areas**

\* \* \* \* \*  
§ 9.93 Mendocino.

(a) *Name.* The name of the viticultural area described in this section is "Mendocino."

(b) *Approved maps.* The appropriate maps for determining the boundaries for the Mendocino viticultural area are seven U.S.G.S. maps. They are titled:

(1) "Willits Quadrangle, California—Mendocino Co.," 15 minute series (1961);

(2) "Potter Valley Quadrangle, California," 15 minute series (1960);

(3) "Ukiah Quadrangle, California," 15 minute series (1958);

(4) "Hopland Quadrangle, California," 15 minute series (1960);

(5) "Boonville Quadrangle, California—Mendocino Co.," 15 minute series (1959);

(6) "Navarro Quadrangle, California—Mendocino Co.," 15 minute series (1961);

(7) "Ornbaun Valley Quadrangle, California," 15 minute series (1960).

(c) *Boundaries.* The "Mendocino" viticultural area is located entirely within Mendocino County, California. The beginning point is the southeast corner of Section 30, Township 12 North (T. 12 N.), Range 10 West (R. 10 W.) located along the Mendocino County/Sonoma County line in the southeast quadrant of U.S.G.S. map "Hopland Quadrangle."

(1) From the beginning point, the boundary runs north along the eastern boundary of Sections 30, 19, 18, 7 and 6 to the point labeled Jakes Cr (Jakes Creek) located at the northwest corner of Section 5, T. 12 N., R. 10 W.;

(2) Thence in a straight line in a northwest direction to the point labeled Bedford Rock in Section 3, T. 13 N., R. 11 W.;

(3) Thence in a straight line in a northwest direction to a point labeled Red Mtn in Section 17, T. 14 N., R. 11 W.;

(4) Thence in a straight line in a northwest direction to the southeast corner of Section 25, T. 16 N., R. 11 W.;

(5) Thence in a straight line in a northeast direction to the northeast corner of Section 1, T. 16 N., R. 11 W. located along the Mendocino County/Lake County line;

(6) Thence in a straight line in a northwest direction to the northeast corner of Section 5, T. 17 N., R. 11 W.;

(7) Thence in a westerly direction along the T. 18 N./T. 17 N. township line until it intersects with the R. 13 W./R. 12 W. range line;

(8) Thence in a straight line in a southwest direction to the point labeled Eagle Rock located in Section 16, T. 15 N., R. 13 W.;

(9) Thence in a straight line in a southeast direction to the point labeled Bus McGall Peak located in Section 4, T. 13 N., R. 12 W.;

(10) Thence in a straight line in a westerly direction to an unnamed hilltop, elevation 2,015 feet, in the northeast corner of Section 9, T. 13 N., R. 13 W.;

(11) Thence due south in a straight line in a northwest direction to the junction of Bailey Gulch and the South Branch, North Fork to the Navarro River,

located in Section 8, T. 15 15 N., R. 15 W.;

(12) Thence in a straight line in a southwest direction to Benchmark (BM) 1057 located in Section 28, T. 15 N., R. 16 W.;

(13) Thence due south in a straight line approximately 1.4 miles to Greenwood Creek located in Section 33, T. 15 N., R. 16 W.;

(14) Thence following Greenwood Creek in a generally southeasterly and then a northeasterly direction to where it intersects with the south section line of Section 16, T. 14 N., R. 15 W., approximately .2 miles west of Cold Springs Road;

(15) Thence in an easterly direction along the south section lines of Sections 16, 15, and 14, T. 14 N., R. 15 W., to the intersection of the south section line of Section 14 with an unnamed creek;

(16) Thence in a straight line in a southeasterly direction to Benchmark (BM) 680 located in Section 30, T. 13 N., R. 13 W.;

(17) Thence continuing in a straight line in a southeasterly direction to the intersection of the southwest corner of Section 32, T. 12 N., R. 11 W., and the Mendocino County/Sonoma County line;

(18) Thence following the Mendocino County/Sonoma County line in an easterly, northerly, and then an easterly direction to the beginning point.

Signed: May 3, 1984.

W. T. Drake,

Acting Director.

Approved: May 31, 1984.

Edward T. Stevenson,

Deputy Assistant Secretary (Operations).

[FR Doc. 84-16099 Filed 6-14-84; 8:45 am]

BILLING CODE 4810-31-M

**27 CFR Part 9**

[T.D. ATF-177; Re: Notice No. 494]

**Alcohol; the Monterey Viticultural Area**

**AGENCY:** Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

**ACTION:** Treasury decision, final rule.

**SUMMARY:** This final rule establishes a viticultural area in Monterey County, California, known as "Monterey." This final rule results from a petition submitted by the Monterey Winegrowers Council.

The establishment of viticultural areas, and the subsequent use of viticultural area names as appellations in wine labeling and advertising will allow wineries to designate the areas from

which grapes used in the production of wines are grown and will enable consumers to identify and to differentiate between wines offered at retail.

**EFFECTIVE DATE:** July 16, 1984.

**FOR FURTHER INFORMATION CONTACT:**

Michael J. Breen, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, NW., Washington, DC 20226, (202) 566-7626.

**SUPPLEMENTARY INFORMATION:**

**Background**

On August 23, 1978, ATF published Treasury Decision ATF-53 (43 FR 37672, 54624) revising regulations in 27 CFR Part 4. These regulations allow the establishment of definite viticultural areas and also 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 Title 27, Code of Federal Regulations, for the listing of approved American viticultural areas.

Section 4.25a(e)(1) defines an American viticultural area as a delimited grape-growing region distinguishable by geographical features. 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 should include—

(a) Evidence that the name of the proposed viticultural area is locally and/or nationally known as referring to the area specified in the petition;

(b) Historical or current evidence that the boundaries of the viticultural area are as specified in the petition;

(c) Evidence relating to the geographical features (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;

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

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

**The Rulemaking Process**

In May 1982, ATF received the petition of the Monterey Winegrowers Council advocating the establishment in Monterey County, California, of a

viticultural area to be known as "Monterey."

During the processing of the petition, ATF required the petitioner to submit additional data about the history, development, and extent of viticultural in Monterey County and about the topography and soils in the petitioned area. In the time period following the filing of the petition to the date of publication of Notice No. 494, numerous written and telephonic exchanges took place between the leadership of the Monterey Winegrowers Council and the ATF personnel assigned to process the petition.

Due to the topographical diversity of the land area within the boundary proposed by the petitioner, ATF proposed in Notice No. 494 an alternative boundary which extended the northwestern boundary and compressed the western, eastern and southern boundaries proposed by the petitioner.

In order to clarify the information submitted in the petition and ATF's concerns, ATF met with the assembled membership of the petitioner on September 20, 1983. At this meeting, ATF personnel addressed concerns regarding the drawing of an appropriate boundary for the viticultural area.

ATF published Notice No. 494 in the *Federal Register* of November 21, 1983, with a 60-day comment period closing on January 5, 1984. In Notice No. 494, ATF proposed the establishment of a viticultural area in Monterey County, offered an alternative boundary to that proposed by the petitioner, and requested comment as to whether the name "Monterey" was the appropriate name for the area. ATF requested comments on whether or not the viticultural area boundaries proposed by both the petitioner and by ATF encompassed areas that were too large.

ATF proposed in its alternative boundary the exclusion of the highland areas (essentially above the 1,000-foot contour line) east of the Salinas River Basin which would result in the exclusion of the approved Chalone viticultural area from the proposed viticultural area. The Bureau maintained that the soil and growing conditions in the valleys are different than in Chalone and that Chalone because of its elevation sits above the fog line and is not affected by the fog. The Bureau also proposed to redraw the western boundary line to that 1,000-foot contour line on the mountains to the west of the Salinas River Basin. The ATF alternative boundary encompassed the approved Arroyo Seco and Carmel Valley viticultural areas and the proposed King City and San Lucas

viticultural areas. The southernmost boundary would have been the Monterey County-San Luis Obispo County line and would have included essentially the area below the 1,000-foot contour line in the Hames Valley and the San Antonio River Valley. The southeastern boundary line would have narrowed the viticultural area as it approached the county line and would have excluded Peachtree Valley and Indian Valley.

ATF expressed concern about the petitioner's proposal to position the northern boundary just south of Chualar. Although the petitioner had stated that the land area between Monterey Bay and this boundary line is devoted exclusively to other forms of agriculture, e.g., artichokes and lettuce, ATF maintained that the boundary should be determined by geographical features and not by crop and planting distributions. ATF had also expressed the belief that new vineyards had been planted in the area north of the petitioned boundary.

**Name and Historical Background**

"Monterey" is the name of a peninsula, a city, a bay, and a county. The name "Monterey" originated in the days of the Spanish rule of Mexico. In 1602, explorer Sebastian Vizcaino named the bay in honor of the Count of Monte Rey, Spanish viceroy of Mexico. In 1770, the Spanish established a presidio at Monterey and Franciscan friar Junipero Serra founded missions at Jolon, Soledad and Monterey, all of which are cities in present day Monterey County. Named the capital of Alta California in 1775, Monterey was fortified and became a port of entry and center of Spanish culture.

Grapes were planted by the Franciscan friars at the mission in Monterey in 1770 and in subsequent years at the missions in Jolon and Soledad. In 1783, the Spanish governor planted grapes at Monterey.

Since the first commercial plantings of grapes in the early 1960's, "Monterey" has become recognizable as viticultural lands within the political borders of Monterey County.

Within the geopolitical boundary of Monterey County, there are approximately 36,000 acres devoted to viticulture, 14 registered wineries, a 15th under construction, and three viticultural areas, namely, Arroyo Seco, Carmel Valley and Chalone. In addition to the petition for the Monterey viticultural area, ATF has received petitions for the establishment of viticultural areas to be named King City and San Lucas. Within the boundary of

the approved viticultural area are approximately 640,000 acres of which 35,500 acres, approximately 5.5 percent, are devoted to grape growing.

#### The Monterey Viticultural Area

The Monterey viticultural area is distinguished from surrounding areas by the composition of its soils, elevation above sea level, and the marine influences from the Pacific Ocean, specifically, wind, rainfall, fog and climatic variances.

The weather within the Monterey viticultural area differs from surrounding areas primarily by the sparse rainfall and the marine influences of the Pacific Ocean and Monterey Bay.

Compared to surrounding areas, the area is relatively dry throughout the growing season. Average annual rainfall in the valleys where grapes are currently growing and in the valleys in which the potential to grow grapes exists is 10 inches. However, the watersheds of the Santa Lucia, Gabilan, and Diablo ranges provide adequate water through underground aquifers to enable irrigation of the grape acreage as well as to satisfy other agricultural requirements.

During the growing season, the rainfall is lower in the "Monterey" viticultural area than in surrounding areas. This necessitates the use by grape growers of various methods of irrigation.

The inland valleys which open to the Pacific Ocean between the parallel mountain ranges (Gabilan, Santa Lucia, and Diablo) form corridors of cool air which contributes to a longer growing season than surrounding areas. Unlike neighboring highlands above the 1,000-foot contour line, the land within the viticultural area is subjected to variable winds which sweep inland in a southeasterly direction from Monterey Bay through the Carmel River and Salinas River valleys. The higher afternoon temperatures in the inland reaches of the viticultural area and beyond create low atmospheric pressure which draws the relatively cooler air from the Monterey Bay down through the valleys of the viticultural area to replenish the hot air rising from the inland areas.

Temperatures are rarely extreme enough to cause serious problems of frost or heat as in neighboring grape-growing areas.

Whereas limestone is the predominant component of the soils in the neighboring highland areas, soils within the viticultural area are generally light textured loams to loamy sands varying in reaction from pH 5.1 to 8.4 and having low salinity. The soils are generally low

in organic matter and naturally supplied nitrogen and require irrigation in the summer months.

The ridge top of the Gabilan Range forms the eastern geopolitical boundary between San Benito County and Monterey County. Little coastal air passes east of this mountain range. The mountain range and the area to the east of the range have little of the coastal influences of moderating temperature and rainfall. San Benito County has spring frosts occurring two to four weeks later, fall frosts occurring one to six weeks earlier, and hot spells lasting one to three days longer than in Monterey County.

The portions of the Carmel River and Salinas River valleys which are within the boundary of the Monterey viticultural area share unique climatic features which distinguish the Monterey viticultural area from other California grape-growing regions. These features include a long period from bloom to harvest, mild daily high temperatures during most of the fruit development period, fog in the morning (in the northern portions of the viticultural area), a quick rise to the daily maximum temperature with a simultaneous precipitous drop in humidity and regularly occurring southeasterly winds from the Pacific Ocean beginning in the early afternoon. The high temperatures common to the Central (San Joaquin) Valley are rare in the Monterey viticultural area but do occur during the Indian summer period. Weather records from Gonzales, Soledad, Greenfield, and King City all show a high degree of similarity in temperatures within the area. Comparisons to weather records from neighboring grape-growing areas show that the combination of morning fog and afternoon wind produces a unique temperature and relative humidity pattern.

The high acid levels in the varieties of grapes grown in the viticultural area distinguish the viticultural area from most other grape growing areas in California. When the fruit reaches the sugar at which it is harvested (21 to 22 degrees Brix for whites and 22 to 24 degrees Brix for reds) the total acid is generally around 7.5 to 8.5 grams per liter in most areas of California. However, in Monterey the total acid may range from 9 to 15 grams per liter which is very high relative to other California grapes. In order to achieve a better balance between sugar and acid, the grapes are left on the vine until the sugar reaches around 26 degrees Brix so that total acid will decrease to approximately 9 grams per liter. It is believed that this retention of acid is caused by the winds which occur daily

anywhere from 10AM to 2PM. When this happens, the mid-day temperature, which is relatively high, drops drastically and stays low for the remainder of the day.

The average annual temperature is much the same in the Monterey viticultural area. It varies from about 57 degrees in the northern areas of the Salinas River and Carmel River valleys to about 60 degrees in the southern portion of the viticultural area. The southern areas are farther inland and have clearer skies. Consequently, southern areas have both warmer days and cooler nights and have 10 to 20 degrees greater ranges of both daily and seasonal temperatures. The natural vegetation of grasses, sage brush, and sparse low trees shows that the weather is quite uniform throughout the Monterey viticultural area.

The generally similar soils, weather, and topography within the Monterey viticultural area have the potential to produce grapes of a noticeable similarity.

#### Boundary

Due to the topographical diversity of the land area within the boundary proposed by the petitioner, ATF proposed an alternative which extended the petitioned boundary farther north and as far west as the Pacific Ocean but compressed the size of the area by limiting the boundary to land at an elevation generally not higher than the 1,000-foot contour lines to the east and west of the Salinas River Valley. The alternative also encompassed the Carmel Valley and Arroyo Seco viticultural areas as well as the proposed King City and San Lucas viticultural areas and excluded the Chalona viticultural area.

Based on the comments received, ATF has essentially adopted the alternative boundary with some modifications. The approved boundary and the names of the 36 U.S.G.S. 7.5 minute series maps assembled to depict the boundary are found in this final rule. Some modifications were made to the ATF alternative boundary to include the lowlands of several large canyons lying to the west of the Salinas River Valley. The approved boundary also excludes the highland areas in the Carmel River watershed, specifically the Carmel Valley viticultural area.

#### Summary of Comments

During the 60-day comment period following the publication of Notice No. 494, ATF received 17 responses, two of which were copies of recently published magazine articles touting "Monterey"

wines and 15 of which were written comments specifically addressing ATF's concerns regarding the name and size of the proposed viticultural area. Of these 15 comments, six addressed the issue of overlapping viticultural area boundaries.

ATF had requested comment regarding possible consumer confusion over the use of the appellation "Monterey" since this is also the name of the county in which the viticultural area would be located.

Fourteen commenters favored adoption of the appellation "Monterey." These commenters stated that the name "Monterey" is used widely in the area and that the entire viticultural area as proposed both by the petitioner and by ATF is within Monterey County. ATF concurs with these comments. ATF has found that the name has been in use in the area since 1602 and did not become the name of the county until 1848.

Two commenters pointed out that the winegrape growing portion of Monterey County is limited to a much smaller region than the whole of the county and that the name "Monterey" signifies much more than the land area on the Monterey Peninsula.

ATF concurs with these comments. ATF found that the area proposed by the petitioner was far too expansive while its own alternative was too constrictive. The solution was to expand the ATF alternative to include land in the larger canyons lying to the west of the Salinas River Basin and land as far north and west as the Pacific Ocean and to exclude the highland area known as the Carmel Valley viticultural area.

The one commenter dissenting over the use of the name "Monterey" expressed the concern that the name would be confused with the county name. This commenter also favored the use of a qualifier such as "Monterey Valley," "Monterey Basin," or "Eastern Monterey" in order to designate the area as smaller than the county and distinctive from the county name.

ATF does not concur with this comment. Treasury Decision ATF-53 [43 FR 37671; 43 FR 54624], published in August 1978, revised the regulations in Part 4 to allow for the establishment of viticultural areas. In paragraph (a) of 27 CFR 4.25a, the use of a county name as an appellation of origin requires that the qualifier "county" appear in the same size of type and in letters as conspicuous as the name of the county in order to avoid consumer confusion. The use of the word "county" as a qualifier denotes to the consumer that at least 75 percent of the wine is derived from grapes grown in that county whereas the use of the appellation without the qualifier "county" means

that at least 85 percent of the wine is derived from grapes grown within the boundary of the area bearing that appellation. ATF reiterated this position in the preamble to the Treasury decision establishing the "El Dorado" viticultural area [48 FR 46519].

With regard to the commenter's suggestion that a qualifier be used, ATF has found no historical evidence documenting the existence or use of any of the suggested appellations or of any appellation other than "Monterey".

Of the 15 commenters who specifically addressed the boundary of the viticultural area, three favored that originally proposed by the petitioner and 12 favored the alternative proposed by ATF in Notice No. 494. Two commenters strongly favored adoption of the petitioned boundary over the ATF alternative boundary. Both of these commenters objected to ATF's inclusion of "inappropriate urban areas," specifically, Salinas, Carmel, and Monterey, within the ATF alternative boundary. ATF does not concur. If ATF were to draw the boundary line for each viticultural area in such a manner as to exclude areas dedicated to cities, suburbs, governmental buildings, recreation areas, shopping centers, industrial parks, and related urban areas, the result would be an erratic boundary similar to a jigsaw puzzle. Piecemeal treatment of urban and agricultural areas whose identities are intertwined would be contrary to the criteria established in regulations and would damage the integrity of the viticultural area.

One of the two commenters who strongly favored adoption of the petitioner's proposal correctly pointed out that the City of Monterey and the Monterey Peninsula lie outside the recognized viticultural thermoclines recommended to grow wine grapes commercially and also took exception to ATF's statement in the notice about the existence of commercial-sized vineyards in the area north of the petitioned boundary. According to the commenter, there are no commercial-size vineyards north of Chualar because the extremely cool temperatures from Monterey Bay preclude any reasonable expectation of profitability from new grape plantings.

Following receipt of this comment, ATF found upon further examination that the commenter is correct about the existence of no viticulture north of Chualar. However, ATF found evidence of viticulture within seven miles of the Pacific Ocean near the intersection of Los Laureles Grade and Carmel Valley Road. This area lies west rather than north of Chualar but is in a thermocline identical to the area north of Chualar

where the planting of grapes would not be advised by agricultural authorities. A winery building has been constructed in this area and two small but commercial-sized vineyards have been planted. This area is outside the boundary proposed by the petitioner.

Although there are no commercial-sized vineyards presently in the area north of Chualar and agricultural authorities would not recommend plantings in that area, there is nothing that precludes the establishment of vineyards there. In fact, ATF was advised that while this area has no known potential for the growing of the types of grapes used in commercial winemaking in the past and present, the cooler climate would be more disposed to the planting of grapes for use in the production of sparkling wines.

A commenter from Carmel Valley stated that there are differences in climate, watershed, soil, and marine influence between the area proposed both by the petitioner and by ATF as "Monterey" and the approved Carmel Valley viticultural area. This commenter stated that it could create some confusion having the Carmel Valley appellation within the larger "Monterey" appellation and favored the exclusion of the Carmel Valley viticultural area. The commenter added that the Monterey designation should apply to the area of marine influence up to seven miles from the coast into the lower Carmel Valley (which is not a part of the Carmel Valley viticultural area). In consideration of the highland features which distinguish the Carmel Valley viticultural area from the generally lowland areas in the Monterey viticultural area, ATF concurs with this comment.

The comment from the Monterey Winegrowers Council, the petitioner for the viticultural area, summarized the views of its membership and endorsed the alternative boundary proposed by ATF on the basis that geographical features and not existing planting distributions should determine the proposed boundaries. The commenter reported that since the submission of the original petition in May 1982, the acreage planted to wine grapes in Monterey County had increased from 31,632 to 35,758 acres. The commenter agreed with ATF's proposal to exclude the approved Chalona viticultural area on the basis that its elevation locates it in a different climate zone. The commenter favored the inclusion of Arroyo Seco, San Lucas, Carmel Valley, and King City in the proposed viticultural area since each demonstrates unique variations in the

conditions for growing winegrapes which nonetheless conform to the general conditions ascribed to the proposed "Monterey" viticultural area. With the exception of Carmel Valley, ATF concurs with this commenter. ATF finds that the Carmel Valley viticultural area has features which are more similar to the Chalone viticultural area than to those distinguishing grapes grown in the generally lowland area known as "Monterey."

Of the six comments specifically addressing the question of overlapping viticultural area boundaries, all expressed no objections. These comments are best summarized in the statement of one commenter that "when comparing grape growing areas within the proposed Monterey viticultural area, several areas possess micro-climatological and micro-geological characteristics that offer subtle influences on grape growing practices." ATF finds that it is consistent with established agency policy pertaining to the establishment of boundaries for viticultural areas to include subareas having minor differences in climate and geology.

#### Conclusion

Based on the data contained in the public record and visits to various vineyards and wineries in Monterey County, ATF has determined that the alternative boundary, with some modifications, accurately depicts a viticultural area known as "Monterey."

#### Executive Order 12291

ATF has determined that this final rule is not a "major rule" within the meaning of Executive Order 12291, 46 FR 13193 (1981), because it will not have an annual effect on the economy of \$100 million or more; it will not result in a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and, it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

#### Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to an initial and final regulatory flexibility analysis (5 U.S.C. 603, 604) are not applicable to this final rule because it will not have a significant economic impact on a substantial number of small entities. The final rule will not impose, or otherwise cause, a significant increase in the

reporting, recordkeeping, or other compliance burdens on a substantial number of small wineries. The final rule is not expected to have significant secondary or incidental effects on a substantial number of small entities.

Accordingly, it is hereby certified under the provisions of section 3 of the Regulatory Flexibility Act (5 U.S.C. 605(b)) that this final rule will not have a significant economic impact on a substantial number of small entities.

#### Miscellaneous

ATF recognizes the appellation "Monterey" as being representative of a viticultural area which is distinct from surrounding areas in which grapes are also grown for the production and sale of wine. Approval of the Monterey viticultural area should not be construed as an endorsement by ATF of the quality of wines produced from grapes grown in the viticultural area. In no way does this action connote that the grapes and wines from this area are better than the grapes and wines from other areas. Winemakers may claim a distinction in labeling and in advertising as to the origin of the grapes used in the production of their wines. Any commercial advantage gained from the use of the appellation "Monterey" on labels and in advertisements comes only from consumer acceptance of wines bearing this appellation.

#### Disclosure

Copies of the petition, the maps, the notice, this final rule, and all comments are available for public inspection during normal business hours at: Office of Public Affairs and Disclosure, Room 4407, 12th and Pennsylvania Avenue, NW., Washington, DC.

#### Drafting Information

The principal author of this document is Michael J. Breen, FAA, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms.

#### List of Subjects in 27 CFR Part 9

Administrative practice and procedure, Consumer protection, Viticultural areas, Wine.

#### Authority and Issuance

### PART 9—AMERICAN VITICULTURAL AREAS

Accordingly, under the authority contained in section 5 of the Federal Alcohol Administration Act, 49 Stat. 981, as amended, 27 U.S.C. 205, 27 CFR Part 9 is amended as follows:

**Paragraph 1.** The table of sections in 27 CFR Part 9, Subpart C, is amended to

add to the table new section 9.98 to read as follows:

#### Subpart C—Approved American Viticultural Areas

Sec.

9.98 Monterey.

**Par. 2.** Subpart C is amended by adding § 9.98 to read as follows:

#### Subpart C—Approved American Viticultural Areas

#### § 9.98 Monterey.

(a) *Name.* The name of the viticultural area described in this section is "Monterey."

(b) *Approved maps.* The approved maps for determining the boundary of the Monterey viticultural area are 36 U.S.G.S. quadrangle maps in the 7.5 minute series, as follows:

- (1) Sycamore Flat, CA, 1956, photoinspected 1972;
- (2) Junipero Serra Peak, CA, 1949, photoinspected 1972;
- (3) Reliz Canyon, CA, 1949;
- (4) Paraiso Springs, CA, 1956;
- (5) Thompson Canyon, CA, 1949, photo-revised 1979;
- (6) Cosio Knob, CA, 1948, photoinspected 1976;
- (7) Espinosa Canyon, CA, 1948;
- (8) San Ardo, CA, 1967;
- (9) Hames Valley, CA, 1949;
- (10) Tierra Redonda Mtn., CA, 1948;
- (11) Bradley, CA, 1949;
- (12) Wunpost, CA, 1948;
- (13) Pancho Rico Valley, CA, 1967;
- (14) Natras Valley, CA, 1967;
- (15) San Lucas, CA, 1949;
- (16) Pinalito Canyon, CA, 1969;
- (17) Topo Valley, CA, 1969;
- (18) North Chalone Peak, CA, 1969;
- (19) Soledad, CA, 1955;
- (20) Mount Johnson, CA, 1968;
- (21) Gonzales, CA, 1955;
- (22) Mt. Harlan Quadrangle, CA, 1968;
- (23) Natividad Quadrangle, CA, 1947, photo-revised 1968, photoinspected 1974;
- (24) San Juan Bautista Quadrangle, CA, 1955, photo-revised 1980;
- (25) Prunedale Quadrangle, CA, 1954, photo-revised 1981;
- (26) Watsonville East Quadrangle, CA, 1955, photo-revised 1980;
- (27) Watsonville West Quadrangle, CA, 1954, photo-revised 1980;
- (28) Moss Landing Quadrangle, CA, 1954, photo-revised 1980;
- (29) Marina Quadrangle, CA, 1947, photo-revised 1968 and 1974;
- (30) Monterey, CA, 1947, photo-revised 1968, photoinspected 1974;

- (31) Mt. Carmel, CA, 1956, photoinspected 1972;  
(32) Carmel Valley, CA, 1956, photoinspected 1974;  
(33) Spreckels, CA, 1947, photo-revised 1968, photoinspected 1975;  
(34) Chualar, CA, 1947, photo-revised 1968, photoinspected 1974;  
(35) Rana Creek, CA, 1956, photoinspected 1973; and  
(36) Palo Escrito Peak, CA, 1956.

(c) *Boundary.* The Monterey viticultural area is located in Monterey County, California. The boundary is as follows:

(1) The beginning point is found on the "Sycamore Flat" U.S.G.S. 7.5 minute map at the junction of Arroyo Seco Road and the Jamesburg Road, in the southeast corner of section 21, T(ownship) 19 S., R(ange) 5 E. (This is also the beginning point for the Arroyo Seco viticultural area.)

(2) The boundary proceeds directly west along the southern boundary of section 21 to the southwest corner of section 21, T. 19 S., R. 5 E.

(3) Then southeast in a straight diagonal line across section 28 to the southeast corner of section 28, T. 19 S., R. 5 E.

(4) Then directly east along the southern boundaries of sections 27, 28 and 25 in T. 19 S., R. 5 E., sections 30, 29, 28, 27, 26 and 25 in T. 19 S., R. 6 E., and sections 30, 29, and 28 in T. 19 S., R. 7 E. to the southeast corner of section 28, T. 19 S., R. 7 E.

(5) Then south along the eastern boundary of section 33 to the southeast corner of section 33, T. 19 S., R. 7 E.

(6) Then southeast in a straight diagonal line across section 3 to the southeast corner of section 3, T. 20 S., R. 7 E.

(7) Then south southeast in a straight diagonal line across sections 11 and 14 to the southeast corner of section 14, T. 20 S., R. 7 E.

(8) Then south along the western boundaries of sections 24 and 25 to the southwest corner of section 25, T. 20 S., R. 7 E.

(9) Then east along the southern boundaries of sections 25 and 30 to the southeast corner of section 30, T. 20 S., R. 8 E.

(10) Then southwest in a straight diagonal line across section 31 to the southwest corner of section 31, T. 20 S., R. 8 E.

(11) Then west along the southern boundary of section 36, T. 20 S., R. 7 E., to the northwest corner of section 6, T. 21 S., R. 8 E.

(12) Then south along the western boundaries of sections 6 and 7 to the southwest corner of section 7, T. 21 S., R. 8 E.

(13) Then west along the northern boundary of section 13 to the northwest corner of section 13, T. 21 S., R. 7 E.

(14) Then south along the western boundaries of sections 13 and 24 to the southwest corner of section 24, T. 21 S., R. 7 E.

(15) Then east northeast in a straight diagonal line across section 24, T. 21 S., R. 7 E., and across section 19, T. 21 S., R. 8 E., to the northeast corner of section 19, T. 21 S., R. 8 E.

(16) Then northeast in a straight diagonal line across section 17 to the northeast corner of section 17, T. 21 S., R. 8 E.

(17) Then southeast in a straight diagonal line across sections 16, 22, 26 and 36 in T. 21 S., R. 8 E. and across sections 6, 8, and 16 in T. 22 S., R. 9 E. to the southeast corner of section 16, T. 22 S., R. 9 E.

(18) Then east southeast in a straight diagonal line across sections 22, 23, 24, T. 22 S., R. 9 E., and across section 19, T. 22 S., R. 10 E., to the southeast corner of section 19, T. 22 S., R. 10 E.

(19) Then south southeast in a straight diagonal line across sections 29, 32, and 33, T. 22 S., R. 10 E., to the southeast corner of section 4, T. 23 S., R. 10 E.

(20) Then south southeast in a straight diagonal line across sections 10, 15, 23, and 26 to the southeast corner of section 26, T. 23 S., R. 10 E.

(21) Then northwest in a straight diagonal line across section 26 to the northwest corner of section 26, T. 23 S., R. 10 E.

(22) Then west northwest in a straight diagonal line across sections 22, 21, 20, and 19, T. 23 S., R. 10 E. to the northwest corner of section 24, T. 23 S., R. 9 E.

(23) Then southeast across sections 24, 25, 30, 31, and 32, to the southeast corner of section 5, T. 24 S., R. 10 E.

(24) Then east southeast in a straight diagonal line across section 9 to the southeast corner of section 10, T. 24 S., R. 10 E.

(25) Then south southeast in a straight diagonal line across section 14 to the southeast corner of section 23, T. 24 S., R. 10 E.

(26) Then southwest in a straight diagonal line to the southwest corner of section 26, T. 24 S., R. 10 E.

(27) Then south along the western boundary of section 35 to the southwest corner of section 35, T. 24 S., R. 10 E.

(28) Then east along the southern boundaries of sections 35 and 36 to the southeast corner of section 36, T. 24 S., R. 10 E.

(29) Then north along the eastern boundaries of sections 36 and 25 to the northeast corner of section 25, T. 24 S., R. 10 E.

(30) Then northeast in a straight diagonal line across sections 19, 18, and 17 to the northeast corner of section 8, T. 24 S., R. 11 E.

(31) Then west northwest in a straight diagonal line across section 5 to the northwest corner of section 6, T. 24 S., R. 11 E.

(32) Then north along the line separating Range 10 E. and Range 11 E. along the eastern boundary lines of sections 36, 25, 24, 13, 12 and 1 in Township 23 S., and along the western boundaries of sections 36, 25, 24, 13, 12 and 1 in Township 22 S., to the northeast corner of section 36, T. 21 S., R. 10 E.

(33) Then west northwest in a straight diagonal line across sections 25, 26, 23, 22, 15, 16 and 9 to the northwest corner of section 8, T. 21 S., R. 10 E.

(34) Then northwest in a straight diagonal line to the northwest corner of section 6, T. 21 S., R. 10 E.

(35) Then west along the northern boundary of section 1, T. 21 S., R. 9 E. to the southeast corner of section 36, T. 20 S., R. 9 E.

(36) Then northwest in a straight diagonal line across sections 36, 26, 22, 16, 8, and 6 in T. 20 S., R. 9 E. to the northwest corner of section 6, T. 20 S., R. 9 E.

(37) Then north along the line separating Range 8 E. and Range 9 E. along the western boundaries of sections 36, 25, 24, 13, 12 and 1, T. 19 S., R. 8 E. to the northeast corner of section 2, T. 19 S., R. 9 E.

(38) Then northwest in a straight diagonal line to the point of intersection of the boundary line separating R. 7 E. and R. 8 E. and the boundary line separating T. 17 S. and T. 18 S.

(39) Then west along the northern boundaries of sections 1 and 2 to the northwest corner of section 2, T. 18 S., R. 7 E.

(40) Then northwest in a straight diagonal line across section 34 to the northwest corner of section 34, T. 17 S., R. 7 E.

(41) Then west along the southern boundaries of sections 28 and 29 to the southwest corner of section 29, T. 17 S., R. 7 E.

(42) Then northwest in a straight diagonal line across sections 30, 24, 14, 10 and 4 to the northwest corner of section 4, T. 17 S., R. 6 E.

(43) Then north northeast in a straight line across the easternmost portion of section 32 to the northeast corner of section 32, T. 16 S., R. 6 E.

(44) Then north along the eastern boundary of section 29 to the northeast corner of section 29, T. 16 S., R. 6 E.

(45) Then northwest in a straight diagonal line across section 20 to the

northwest corner of section 20, T. 16 S., R. 6 E.

(46) Then west northwest in a straight diagonal line across sections 18 and 13 to the northwest corner of section 13, T. 16 S., R. 5 E.

(47) Then north northwest in a straight diagonal line across sections 11 and 2 to the northwest corner of section 2, T. 16 S., R. 5 E.

(48) Then west along the southern boundaries of section 34 and 33 to the southwest corner of section 33, T. 15 S., R. 5 E.

(49) Then north along the western boundary of section 33, T. 15 S., R. 5 E., in a straight line for approximately 0.5 mile to the intersection with the Chualar Land Grant boundary at the northwestern corner of section 33, T. 15 S., R. 5 E.

(50) Then northeast in a straight diagonal line across the Chualar Land Grant and section 27 to the northeast corner of section 27, T. 15 S., R. 5 E.

(51) Then northwest in a straight diagonal line across section 22 to the northwest corner of section 22, T. 15 S., R. 5 E.

(52) Then west in a straight line along the southern boundaries of sections 16 and 17, T. 15 S., R. 5 E., to the southwest corner of section 17 where it intersects with the Encinal Y Buena Esperanza Land Grant boundary.

(53) Then north and then west along the eastern boundary of the Encinal Y Buena Esperanza Land Grant and the western boundaries of sections 21, 17, 8, and 7, T. 15 S., R. 5 E.

(54) Then in a straight line from the northwest corner of the Encinal Y Buena Esperanza Land Grant boundary and section 7, T. 15 S., R. 5 E. in a west northwest direction to the point where the power transmission line (with located metal tower) intersects at the western boundary of the Cienega del Gabilan Land Grant and the eastern boundary of the El Alisal Land Grant, T. 14 S., R. 4 E.

(55) Then north and then northwest along the boundary line between the Cienega del Gabilan Land Grant and El Alisal Land Grant to the westernmost corner of the Cienega del Gabilan Land Grant, T. 14 S., R. 4 E.

(56) Then west along the boundary line between the Sausal Land Grant and La Natividad Land Grant to the point where the boundary line intersects Old Stage Road.

(57) Then north along Old Stage Road to the point where Old Stage Road intersects the Monterey County—San Benito County line, T. 13 S., R. 4 E.

(58) Then northwest along the Monterey County—San Benito County line to the point near the Town of

Aromas where the boundary lines of the counties of Monterey, Santa Cruz, and San Benito meet, T. 12 S., R. 3 E.

(59) Then in a meandering line along the Monterey County—Santa Cruz County line east then southeast to the Pacific Ocean, T. 12 S., R. 1 E.

(60) Then south along the coastline of Monterey Bay to its intersection with the northwesternmost boundary of Fort Ord Military Reservation, T. 14 S., R. 1 E.

(61) Then following the boundary line of the Fort Ord Military Reservation in an irregular line generally east, then south, then west to the point where the boundary line of the military reservation meets the Pacific Ocean, T. 15 S., R. 1 E.

(62) Then following the coastline of the Monterey Peninsula south along the coastline of Carmel Bay to Carmel Point, the northwesternmost point of Point Lobos State Reserve on the Carmel Peninsula.

(63) Then southeast in a straight diagonal line to the southwestern corner of section 25, T. 16 S., R. 1 W.

(64) Then east along the southern boundaries of section 25, T. 16 S., R. 1 W., and sections 30 and 29, T. 16 S., R. 1 E., to the southeastern corner of section 29 where it intersects with the southwestern boundary of the El Potrero de San Carlos Land Grant.

(65) Then southeast along the southwestern boundary line of the El Potrero de San Carlos Land Grant to the southeastern corner of section 33, T. 16 S., R. 1 E.

(66) Then east along the line separating Township 16 S. and Township 17 S. and across Pinyon Peak to the southeast corner of section 32, T. 16 S., R. 2 E. (This is the beginning and ending point of the boundary of Carmel Valley viticultural area.)

(67) Then continuing east along the line separating Township 16 S. from Township 17 S. to its point of intersection with the line separating Range 2 E. and Range 3 E.

(68) Then north along the western boundaries of sections 31, 30, 19, 18, 7 and 6 in T. 16 S., R. 3 E. to the southwestern corner of section 31, T. 15 S., R. 3 E.

(69) Then in a straight diagonal line east northeast across sections 31, 32 and 33, T. 15 S., R. 3 E. to the southeast corner of section 28, T. 15 S., R. 3 E.

(70) Then southeast in a straight diagonal line along the eastern boundaries of sections 33 and 34, T. 15 S., R. 3 E., and sections 3, 2, 12, 16, 20, 21, and 28, T. 16 S., R. 4 E., to the point where the eastern boundary line of section 28 intersects the boundary line of the Guadalupe Y Llanitos de Los Correos Land Grant.

(71) Then south to the southwest corner of section 34, T. 16 S., R. 4 E.

(72) Then west to the southwest corner of section 2, T. 17 S., R. 4 E.

(73) Then south along the eastern boundary of section 3 to the southeast corner of section 3, T. 17 S., R. 4 E.

(74) Then southeast in a straight diagonal line across sections 11, 13, 19, and 29, to the southeast corner of section 29, T. 17 S., R. 5 E.

(75) Then south along the western boundary of section 33 to the southwest corner of section 33, T. 17 S., R. 5 E.

(76) Then east along the southern boundary of section 33 to the northeast corner of section 4, T. 18 S., R. 5 E.

(77) Then southeast in a diagonal line across sections 3 and 11 to the southeast corner of section 11, T. 18 S., R. 5 E.

(78) Then south along the western boundary of section 13 to the southwest corner of section 13, T. 18 S., R. 5 E.

(79) Then southeast in a diagonal line across section 24 to the southeast corner of section 24, T. 18 S., R. 5 E.

(80) Then south along the western boundaries of section 30 and 31 to the southwest corner of section 31, T. 18 S., R. 6 E.

(81) Then east along the southern boundaries of sections 31 and 32 to the southeast corner of section 32, T. 18 S., R. 6 E. (From this point, the Monterey and Arroyo Seco viticultural areas share the same boundary lines.)

(82) Then south along the eastern boundaries of sections 5, 8, and 17 to Arroyo Seco Road, T. 19 S., R. 6 E.

(83) Then southwest in a straight line for approximately 1.0 mile to Benchmark 673, T. 19 S., R. 6 E.

(84) Then west in a straight line for approximately 1.8 miles to Bench Mark 649.

(85) Then northwest in a straight line for approximately 0.2 mile to the northeast corner of section 23, T. 19 S., R. 5 E.

(86) Then west following the northern boundaries of sections 23 and 22 to the northwest corner of section 22, T. 19 S., R. 5 E.

(87) Then south in a straight line along the western boundary of section 22 to the point of beginning.

Signed: May 18, 1984.

Stephen E. Higgins,  
Director.

Approved: June 1, 1984.

Edward T. Stevenson,  
Deputy Assistant Secretary (Operations).