

provided the disclosure is in a form that the applicant may retain. For an application made by telephone, the requirements of this section are satisfied by oral notification of action taken and of the applicant's right to a statement of reasons for adverse action. ◀

4. Appendix C is amended by revising the first and last paragraph of the introduction, and by adding sample Forms C-7 and C-8 to read as follows:

Appendix C—Sample Notification Forms

This appendix contains [six] ▶ eight ◀ sample notification forms. Forms C-1 through C-4 are intended for use in notifying an applicant that adverse action has been taken on an application or account under §§ 202.9(a)(1) and (2)(i) of this regulation. Form C-5 is a notice of disclosure of the right to request specific reasons for adverse action under §§ 202.9(a)(1) and (2)(ii). Form C-6 is designed for use in notifying an applicant, under § 202.9(c)(2), that an application is incomplete. ▶ Forms C-7 and C-8 are intended for use in connection with applications for business credit under § 202.9(a)(3). ◀

A creditor may design its own notification forms or use all or a portion of the forms contained in this appendix. Proper use of Forms C-1 through C-4 will satisfy the requirements of § 202.9(a)(2)(i). Proper use of Forms C-5 and C-6 constitutes full compliance with §§ 202.9(a)(2)(ii) and 202.9(c)(2), respectively. ▶ Proper use of Forms C-7 and C-8 will satisfy the requirements of §§ 202.9(a)(2)(i) and (3), respectively, for applications for business credit. ◀

▶ Form C-7—Sample Notice of Action Taken and Statement of Reasons (Business Credit)

Creditor's name _____

Creditor's address _____

Date _____

Dear Applicant:

Thank you for applying to us for credit. We have given your request careful consideration, and regret that we are unable to extend credit to you at this time for the following reasons:

Value or type of collateral not sufficient
Lack of established earnings record
Slow or past due in trade or loan payments
Lack of managerial experience

Sincerely,

Notice

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program;

or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is (name and address as specified by the appropriate agency listed in appendix A).

Form C-8—Sample Disclosure of Right to Request Specific Reasons for Credit Denial Given at Time of Application (Business Credit)

Creditor's name _____

Creditor's address _____

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact [name, address and telephone number of the person or office from which the statement of reasons can be obtained] within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request.

Notice

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is (name and address as specified by the appropriate agency listed in appendix A). ◀

By order of the Board of Governors of the Federal Reserve System, dated July 10, 1989.

William W. Wiles,
Secretary of the Board.

[FR Doc. 89-16511 Filed 7-13-89; 8:45 am]

BILLING CODE 6210-01-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 250 and 259

[Release No. 35-24923; File No. S7-2-89]

Request for Comments on Certain Issues Arising Under the Public Utility Holding Company Act of 1935 Relating to Non-Utility Diversification by Intrastate Public-Utility Holding Companies.

AGENCY: Securities and Exchange Commission.

ACTION: Extension of comment period.

SUMMARY: The Securities and Exchange Commission today announced that it has further extended from July 14, 1989, until August 15, 1989, the date by which

comments on Public Utility Holding Company Act Release No. 24815 (February 7 1989) [54 FR 6701, February 14, 1989] must be submitted.

DATE: Comments must be received on or before August 15, 1989.

ADDRESS: Persons wishing to express their views should submit comments in triplicate addressed to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 5th Street NW Mail Stop 6-9, Washington, DC 20549. Reference should be made to File No. S7-2-89. All comments received will be available for public inspection and copying in the Commission's Public Reference Room, 450 5th Street NW Washington, DC 20549.

FOR FURTHER INFORMATION CONTACT: William C. Weeden or Sidney L. Cimmet (202) 272-7878, Office of Public Utility Regulation, Division of Investment Management, Securities and Exchange Commission, 450 5th Street NW Mail Stop 7-1, Washington, DC 20549.

By the Commission.

July 10, 1989.

Jonathan G. Katz,
Secretary.

[FR Doc. 89-16548 Filed 7-13-89; 8:45 am]

BILLING CODE 8010-01-M

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9

[Notice No. 685]

RIN 1512-AA07

Mt. Veeder, CA; Viticultural Area Designations

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

ACTION: Notice of proposed rulemaking.

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms (ATF), is considering the establishment of a viticultural area located near the western boundary of Napa County, California, in the most southerly portion of the Mayacamas mountains which separate Napa Valley and Sonoma Valley to be known as Mt. Veeder. Mt. Veeder is the most prominent peak in the area at 2,677 feet elevation. This proposal is the result of a petition submitted by Mr. Robert E. Craig, President of Napa Valley Estate Vineyards and Winery. ATF believes that the establishment of viticultural areas and the subsequent use of

viticultural area names as appellations of origin in wine labeling and advertising will help consumers identify the wines they may purchase. The establishment of viticultural areas also allows wineries to specify further the origin of wines they offer for sale to the public.

DATE: Written comments must be received by August 28, 1989.

ADDRESS: Send written comments to: Chief, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 385, Washington, DC 20044-0385 (Notice No. 685). Copies of the petition, the proposed regulations, the appropriate maps, and written comments will be available for public inspection during normal business hours at: ATF Reading Room, Disclosure Branch, Room 4406, Ariel Rios Federal Building, 1200 Pennsylvania Avenue NW Washington, DC.

FOR FURTHER INFORMATION CONTACT: David W Brokaw, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms, Ariel Rios Federal Building, 1200 Pennsylvania Avenue NW., Washington, DC 20226, (202) 566-7626.

SUPPLEMENTARY INFORMATION:

Background

On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 56692) which added a new Part 9 to 27 CFR, providing 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 which has been delineated in Subpart C of Part 9.

Section 4.25a(e)(2), Title 27 CFR, 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 characteristics (climate, soil, elevation, physical features, etc.) which distinguished the viticultural features of the proposed area from surrounding areas;

(d) 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

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

Petition

AFT has received a petition proposing a viticultural area near the western boundary of Napa County, California, in the most southerly portion of the Mayacamas Mountains which separate Napa Valley and Sonoma Valley. The proposal was submitted by Mr. Robert E. Craig, President, Napa Valley Estate Vineyards and Winery. The proposed viticultural area is approximately 24 square miles or approximately 15,000 acres and is located in Napa County, California. There are five bonded wineries in the proposed viticultural area with approximately 850 acres of grapes. The proposed viticultural area is to be known as Mt. Veeder.

1. Evidence That The Name Of The Area Is Locally Or Nationally Known
A. *Name derivation.* Mt. Veeder is the most prominent peak in the area at 2,677 feet elevation. The mountain and viticultural area are named for Reverend Peter V. Veeder, who arrived in Napa in the mid-1850's and became pastor of the Napa Presbyterian Church in 1859. The exact date his name was first applied to the peak is uncertain, although the *Napa Daily Register* used the name in an article on July 11, 1879.

Although the petitioner has petitioned for the name Mt. Veeder-Napa Valley, ATF is only proposing the name "Mt. Veeder" since the evidence submitted with the petition does not support the inclusion of "Napa Valley. In fact, the petition suggests that this area has been viewed as a distinct district from the Napa Valley and the Sonoma Valley. Although "Napa Valley" is not being included in the proposed name, a reference to Napa Valley may be used in addition to Mt. Veeder if not less than 85 percent of the volume of the wine is derived from grapes grown in the proposed Mt. Veeder area. This would be permitted under 27 CFR 4.25(e)(4) which deals with overlap viticultural area appellations. For example, wine could be labeled "Mt Veeder, Napa Valley, or "Mt. Veeder-Napa Valley.

Mt. Veeder Vineyards is one of five wineries currently located in the proposed viticultural area. If the name Mt. Veeder is adopted, then the use of Mt. Veeder in a brand name is governed by 27 CFR 4.39(1) on brand names of geographical significance.

B. *Local and national renown.* According to the petition, Mt. Veeder received initial local and regional

recognition for the healthful climate of the area. Articles on both the healthfulness and the beauty of the Mt. Veeder area were a regular occurrence in Napa Valley newspapers during the 1880s and 1890s. A measure of Mt. Veeder's significance as a resort site is shown in a long article in the *San Francisco Chronicle* of July 18, 1886, which listed Mt. Veeder as one of the prominent resorts of the area.

While the area surrounding Mt. Veeder has been locally recognized as a distinct district between Napa Valley and Sonoma Valley since the 1870's, it appears from the petition that the mountain's name was not widely used in reference to this area until later. During the period 1860 to around 1930, a substantial portion of the region east of the Napa/Sonoma County boundary was often referred to as the "Napa Redwoods. Mt. Veeder and the Napa Redwoods often appeared together in newspaper articles written during this period. According to the petition however, in the early 20th century, Mt. Veeder gained acceptance locally as the unofficial name for the region and in the early 1940's the term "Napa Redwoods ceased to appear in newspaper articles.

2. Historical Or Current Evidence That The Boundaries Of The Proposed Viticultural Area As Specified In The Petition. The petitioner submitted three 1:24,000 scale U.S.G.S. maps which are the largest scale maps that describe the area. The boundaries of the proposed Mt. Veeder viticultural area coincide in a general manner with those of a region once known as the "Napa Redwoods. The petitioner claims that "Napa Redwoods" substantially ceased to be used as a term for the region in the 1940s and was supplanted by "Mt. Veeder. Public comments on whether this area is known as "Napa Redwoods" or is better known as "Napa Redwoods" than "Mt. Veeder" would be particularly useful to ATF

The petitioner asserts that important to boundary considerations on a historical basis is that, in virtually all newspaper accounts during this era (1870's & 1880's), the proposed Mt. Veeder viticultural area was recognized as a distinct subdistrict to Napa Valley, separate from surrounding areas such as Browns Valley, Napa and Yountville.

3. Evidence Relating To The Geographic Features (Climate, Soil, Elevation, Physical Features, Etc.) Which Distinguish Viticultural Features Of The Proposed Area From Surrounding Areas.

A. *Climatic overview Mt. Veeder.* The climate of the proposed Mt. Veeder viticultural area is characterized by

cool, moist winters and warm, dry summers. Throughout the year in virtually all climatic zones, a natural temperature inversion develops at night, as cold, heavy air settles and warm, lighter air rises. Because of its elevated location, the minimum temperature in the Mt. Veeder region would be warmer than that on the valley floor or adjacent to San Francisco Bay both summer and winter. This inversion limits frost during the winter and keeps the region relatively frost-free during the spring, when vineyard bud push, flowering and crop "set" takes place. Rainfall increases with elevation, ranging from about 25 inches at lower elevation to over 65 inches at higher elevations in the northern part of the area. The elevated terrain of the Mt. Veeder region is a factor. The region receives more rainfall than the land east, south and north of it due to the terrain forcing the moist air masses of winter storms upward as they move inland along a southeasterly path from the coast, causing condensation. As Mt. Veeder is the highest point along the Mayacamas Mountains for several miles, the effect is very pronounced in the region. Rainfall averaged 49 inches a year over a 25 year period at a location near the center of the Mt. Veeder area, compared to an average rainfall of 25 to 35 inches (depending on location) in Napa Valley, Sonoma Valley and the Los Carneros. Conversely, mean annual temperatures decrease with elevation, but the seasonal range and temperature extremes are less at lower elevation. This is due to the moderating effect of cooling breezes from San Pablo Bay plus the periodic fog and low clouds at lower elevations.

The pattern of changing climatic conditions with increasing elevation is reflected in a variety of plant communities throughout the proposed viticultural area. At lower elevations, the vegetation is mostly open grassland with scattered oaks. With increasing elevation and precipitation, the plant cover changes to a dense shrub or mixed shrub-oak-madrone-plant community at intermediate elevations and then to a cover of redwood and douglas fir with some madrone, oaks and laurels at higher elevations or in more humid, north facing slopes along creeks at intermediate levels.

B. Soils of the Mt. Veeder Appellation Area. The proposed Mt. Veeder viticultural area encompasses the eastern slopes of the Mayacamas Mountains west of Napa. The area is roughly triangular in shape, extending southeastward from its apex at Bald Mountain to the rolling hills north of the Carneros District. Elevations generally

range from approximately 2,200 feet at its northern apex to 400 feet in the southern end. Mt. Veeder, located in Napa County, is the highest peak in the proposed viticultural area with an elevation of 2,677 feet.

According to the petitioner, the soils of the proposed Mt. Veeder viticultural area are representative of residual upland soils developed from the weathering of underlying bedrock. Textures range from loams and clay loams to gravelly or stony sandy loams, loams and clay loams. Some soils are deep and permeable while others are shallow with slowly permeable bedrock. Soil reaction varies from neutral or slightly acid to moderately or strongly acid. Color ranges from light gray or pale brown to grayish brown, brown and dark brown, or dark reddish brown and dark reddish brown, depending on the type of parent material and the amount of organic matter present.

The wide ranges of soil characteristics of the upland soils of the proposed viticultural area were recognized by the Soil Conservation Service in their 1978 "Soil Survey of Napa County, California. In their mapping and classification of the upland soils, they recognized seventeen soil series, 31 soil types of phases, and one miscellaneous land type. Grapes are currently grown on 9 of these soils which are moderately deep or deep and have 4 to 7 inches or 6 to 10 inches of available water holding capacity (AWC), respectively.

The moderate depth to bedrock (generally 30 to 60 inches) of the grape producing upland soils of the proposed Mt. Veeder viticultural area limits the depth and size of the soil reservoir for rooting, plant nutrients, and available soil moisture. Additionally, not all of the 25 to 65 inches of winter rainfall is effective as much of it runs off, especially on steeper slopes. This loss of runoff waters and the lower AWC of the soils results in limited soil moisture in the late summer and fall months.

The alluvial soils in the Napa Valley, by nature of their mode of formation, types of parent material and physiographic position, are distinctively different, both genetically and morphologically, from the residual upland soils of the proposed Mt. Veeder viticultural area. The diversity of parent material and the wide range of soil characteristics was recognized by the Soil Conservation Service in their mapping and classification of the soils of Napa County. In the Napa Valley they recognized 10 soil series. None of these valley soils are found on upland slopes in the proposed Mt. Veeder viticultural area.

The county line between Sonoma County and Napa County is the drainage divide between the watersheds of Sonoma Creek and the Napa River. There is a sharp contrast between soils and vegetation on the southwest facing slopes in Sonoma County and northeast facing slopes in Napa County where the proposed Mt. Veeder viticultural area is located. This difference in soils and vegetation is partially due to the microclimate aspect differences between the warmer, more arid southwest facing slopes and the cooler, more humid northeast facing slopes. The warmer, southwest slopes have a greater loss of soil moisture which is reflected in the formation of shallow soils and a less humid shrub or brush type of vegetation. According to the petition, there are also significant differences in the geology between the Sonoma County and Napa County sides of the Mayacamas. The rocks on the southwest slopes in Sonoma County are entirely volcanic in origin (Sonoma Volcanics). On these southwest slopes there are broad, extensive areas of volcanic rockland and large acreages of the shallow, gravelly, cobbly or rocky soils of the Goulding and Toome series. There are no Goulding or Toomes soils in the proposed Mt. Veeder viticultural area and rockland is very rare. In comparison, the geology of the Mayacamas in Napa County is a combination of both volcanic rocks (Sonoma Volcanics) and sedimentary rocks. The soils have developed from sandstones and shales which are absent on the southwest slopes of the Mayacamas in Sonoma County. The petitioner contends there are distinct and significant differences in soils, geology, vegetation and climate between the southwestern slopes and the eastern slopes of the Mayacamas which support the justification of the proposed Mt. Veeder viticultural area.

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 notice of proposed rulemaking because the proposal, if promulgated as a final rule, is not expected (1) to have secondary, or incidental effects on a substantial number of small entities; or (2) to 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 the notice of proposed rulemaking, if promulgated as a final rule, will not have a significant economic impact on a substantial number of small entities.

Executive Order 12291

It has been determined that this proposed rulemaking is not classified as 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, Federal, State, or local government agencies or geographical regions; and it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of the United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Paperwork Reduction Act

The provisions of Paperwork Reduction Act of 1980, Pub. L. 96-511, 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.

Public Participation—Written Comments

ATF requests comments from all interested persons concerning this proposed viticultural area. The document proposes possible boundaries for the area named "Mt. Veeder." However, comments concerning other possible boundaries or names for this proposed viticultural area will be given full consideration.

Comments received on or before the closing date will be carefully considered. Comments received after the date will be given the same consideration if it is practical to do so, but assurance of consideration cannot be given except as to comments received on or before the closing date. ATF will not recognize any material in comments as confidential. 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.

Any interested person who desires an opportunity to comment orally at a public hearing on the proposed regulations should submit his or her request, in writing to the Director within the 45-day comment period. The Director, however, reserves the right to

determine, in light of all circumstances, whether a public hearing will be held.

Drafting Information

The principal author of this document is David W. Brokaw, 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

27 CFR Part 9, American Viticultural Areas, is proposed to be amended as follows:

PART 9—[AMENDED]

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

Authority: 27 U.S.C. 205.

Par. 2. The table of contents in 27 CFR Part 9, Subpart C, is amended to add the title of § 9.123 to read as follows:

Subpart C—Approved American Viticultural Areas

Sec.

§ 9.123 Mt. Veeder

Par. 3. Subpart C is amended by adding § 9.123 to read as follows:

Subpart C—Approved American Viticultural Areas

§ 9.123 Mt. Veeder.

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

(b) **Approved Maps.** The appropriate maps for determining the boundaries of the "Mt. Veeder" viticultural area are three U.S.G.S. Quadrangle (7.5 Minute Series) maps. They are titled:

- (1) Napa, California (1951 (Photorevised (1980)))
- (2) Rutherford, California (1951 (Photorevised 1968))
- (3) Sonoma, California (1951 (Photorevised (1980)))

(c) **Boundaries.** (1) Beginning at Bald Mountain, elevation 2,275, on the common boundary between Napa County and Sonoma County in Township 7 North, Range 6 West, Mount Diablo Base and Meridian on the Rutherford, Calif. U.S.G.S. map;

(2) Thence south along common boundary between Napa County and Sonoma County to unnamed peak, elevation 1,135 feet on the Sonoma, Calif. U.S.G.S. map;

(3) Thence continuing south along the ridge line approximately ½ mile to unnamed peak, elevation 948 feet;

(4) Thence due east in a straight line approximately ¾ mile to the 400 foot contour;

(5) Thence following the 400 foot contour line north around Carneros Valley and then to the west of Congress Valley and Browns Valley on the Napa, Calif. U.S.G.S. map;

(6) Thence paralleling Redwood Road to its intersection with the line dividing Range 5 West and Range 4 West, east of the unnamed 837 foot peak;

(7) Thence north along the line dividing Range 5 West and Range 4 West approximately ¼ mile to the 400 foot contour;

(8) Thence briefly southeast, then northwest along the 400 foot contour to the point where that contour intersects the northern border of Section 10, Township 6 North, Range 5 West immediately adjacent to Dry Creek on the Rutherford, Calif. U.S.G.S. map;

(9) Thence northwesterly along Dry Creek to the tributary stream that joins at elevation 760 feet;

(10) Thence northwest along the tributary and the northern fork of that tributary that joins at elevation 900 feet to its source;

(11) Thence following a straight line west-southwest approximately ¾ mile to the peak of Bald Mountain, elevation 2,275, the starting point.

Signed: July 3, 1989.

Stephen E. Higgins,

Director.

[FR Doc. 89-16536 Filed 7-13-89 8:45 am]

BILLING CODE 4810-31-M

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 916

Kansas Permanent Regulatory Program

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSMRE), Interior.

ACTION: Proposed rule; public comment period and opportunity for public hearing on proposed amendment.

SUMMARY: OSMRE is announcing receipt of a proposed amendment to the Kansas permanent regulatory program (hereinafter, the "Kansas program") under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The proposed amendment pertains to general requirements, definitions, permit applications, public hearings, civil penalties, permit review, bonding