

Approved: November 8, 1996.

Michael P. Dolan,

Acting Commissioner of Internal Revenue.

Donald C. Lubick,

Assistant Secretary of the Treasury.

[FR Doc. 96-32121 Filed 12-20-96; 8:45 am]

BILLING CODE 4830-01-U

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9

[TD ATF-386; Re: Notice No. 838]

RIN 1512-AA07

Redwood Valley Viticultural Area (95R-053P)

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

ACTION: Final rule, Treasury decision

SUMMARY: This final rule establishes a viticultural area located within the east central interior portion of Mendocino County, California to be known as "Redwood Valley," under 27 CFR part 9. This is the result of a petition submitted by Mr. Timothy R. Buckner and prepared by Mr. Buckner, Mr. Jefferson Hinchliffe, Mr. Ulysses Lolonis, and Mr. Rudolph H. Light. The petition was signed by 20 growers and winemakers in "Redwood Valley." In addition, 4 letters of support for the area were received with the petition from growers and winemakers in the area. "Redwood Valley" is an unincorporated rural community in Mendocino County of northwestern California with approximately 6,000 people spread out over about 35 square miles. It is currently the home of seven wineries that produce varietal wines distributed around the world. There are 66 vineyard owners farming 2,371 acres of wine grapes.

EFFECTIVE DATE: February 21, 1997.

FOR FURTHER INFORMATION CONTACT:

David W. Brokaw, Wine, Beer, and Spirits Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue, NW, Washington, DC 20226, (202) 927-8230.

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 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, 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 distinguishable by geographic features, the boundaries of which have 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 distinguish 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 (or copies) of the appropriate U.S.G.S. map(s) with the proposed boundaries prominently marked.

Petition

ATF received a petition from Mr. Timothy Buckner proposing to establish a new viticultural area located within the east central interior portion of Mendocino County, California to be known as "Redwood Valley," under 27 CFR part 9.

There are currently seven wineries in "Redwood Valley." The dates they were bonded are as follows: Fetzer (1968), Weibel (1972), Frey (1980), Lolonis (1983), Elizabeth (1987), Konrad (1989), and Gabrielli (1991). Weibel and Konrad wineries have recently changed ownership and were renamed Redwood Valley Cellars and Fife Vineyards, respectively.

Notice of Proposed Rulemaking

In response to Mr. Buckner's petition, ATF published a notice of proposed rulemaking, Notice No. 838, in the **Federal Register** on September 3, 1996 [61 FR 46403] proposing the establishment of the "Redwood Valley"

viticultural area. The notice requested comments from all interested persons by October 18, 1996.

Comments on Notice of Proposed Rulemaking

ATF did not receive any letters of comment in response to Notice No. 838.

Evidence That The Name Of The Viticultural Area Is Locally Or Nationally Known

"Redwood Valley" is an unincorporated rural community in Mendocino County of northwestern California with approximately 6,000 people spread out over about 35 square miles. It is currently the home of seven wineries that produce premium to ultra premium varietal wines distributed around the world. "Redwood Valley" grapes are used in vineyard designated wines made by wineries throughout the region. There are 66 vineyard owners farming 2,371 acres of wine grapes in Redwood Valley. There are 855 acres of white winegrapes (36%) and 1,516 (64%) planted in red varieties in Redwood Valley.

History and Tradition

The area has been known by the viticultural area name for over a century. Some early settlers arrived in "Redwood Valley" in the mid 1850s, and there was a thriving community by 1900. From as early as the 1870s, grape growing and wine making were an important part of the economy and culture of "Redwood Valley." One of the earliest published mentions of "Redwood Valley" as a grape growing region was in a March 7, 1913, article in the Ukiah *Republican Press* (1885-1954), which described "Redwood Valley" as " * * * admirably adapted for the grape and fruit land in Northern California."

In the March 17, 1913 issue of the Ukiah *Dispatch Democrat*, the petitioner found the following article: *The Redwood Valley Improvement Club Accomplishing Splendid Results By Concentrated Action and Progressiveness*, which stated as follows: "This is perhaps at the present time one of the most important industries of the valley, with hundreds of acres in vineyards and several important wineries in active operation, and because of the statements made * * * by Professor Bioletti, the grape question has taken on a renewed activity. Redwood Valley grapes are exceptionally rich in sugar and are in demand because they raise the quality of wine. Much of the valley's product is contracted for over a term of years * * * (g)rapes produce splendidly on

the bench lands of the valley, and because of the sunshine and climatic conditions mature and produce the ideal wine grapes."

In the Santa Rosa *Press Democrat*, the petitioner found an article printed on July 31, 1949, and titled, "It's Howdy Neighbor To Calpella, Redwood Valley," by Mike Pardee. This article states that, "[a]pproximately half of Mendocino County's present grape acreage of 7,700 acres is in Redwood Valley. Farm Advisor R.D. Foote of Mendocino County said. "The Valley thus raised about half of the county's 17,000 tons produced last year (1948) * * *. Redwood Valley for years has been one of Mendocino County's most important farming sections. Its 314 families for the most part farmers * * *. They'll tell you that those grapes make the finest wines in the region'."

Name Evidence

"Redwood Valley" is recognized by the United States Postal Service as a distinct community with the Zip Code 95470. The U.S.G.S. uses the name "Redwood Valley" Quadrangle on its 1:24,000 topographic map. The valley has a domestic and irrigation water supplier known as "Redwood Valley County Water District." A number of entities give the area its sense of identity, including the "Redwood Valley Grange," "Redwood Valley School," "Redwood Valley Shopping Center," "Redwood Valley Industrial Park." Businesses and organizations using the "Redwood Valley" name include a large vineyard, a gravel plant, 2 churches, a Pomo Indian Rancheria, and so on. The petitioner provided photocopies of stationery and business cards from six private and three public entities that use the name "Redwood Valley" in their title. Each of the entities are currently in business and located in "Redwood Valley."

Historical or Current Evidence that the Boundaries of the Viticultural Area are as Specified in the Petition

The "Redwood Valley" viticultural area boundaries are roughly the watershed that forms the headwaters of the west fork of the Russian River, including Forsythe Creek. Starting at the northern tip of the valley and following the ridge tops, the area widens out to the south as far as State Highway 20. Across Highway 20 to the south is the community of Calpella. Highway 20 provides a distinct southern boundary for the viticultural area. Calpella has a different zip code, water district, school, etc than "Redwood Valley." Furthermore, the soils and climate of

Calpella occupy a transition zone between Ukiah and "Redwood Valley."

Evidence Relating to the Geographical Features (Climate, Soil, Elevation, Physical Features, etc.) Which Distinguish the Viticultural Features of the Area from Surrounding Areas.

Topography

The geography of the area sets it apart from surrounding areas in several respects. "Redwood Valley" is clearly defined by the ridges of the coastal mountain range that surrounds it and that the Valley floor slopes gently up in elevation from around 750' to 900' above sea level. The mountain ridges rise steeply from the valley floor to over 3,350' elevation. Most of the grapes are grown at an elevation between 750' and 1,500' above sea level. At the south end of the valley the foothills close in from the east and west to form a narrowed throat through which the Russian River flows south. This narrowing is also where Highway 20 crosses the valley and the river to intersect with Highway 101. This combination of landforms provides a natural set of boundaries for the viticultural area. These features combine in several ways to produce growing conditions which distinguish the area from surrounding areas. The soils, as well as the micro-, meso-, and macro-climates are all factors that distinguish the viticultural area from surrounding areas.

Soils

While all of the specific soil series that are found in "Redwood Valley" also exist in the surrounding areas, the proportions of the soils in "Redwood Valley" distinguish it from the surrounding areas. *The Wine Regions of America*, a book written by John J. Baxevanis in 1992, gives the following description of the Redwood Valley area. "Redwood Valley, the northernmost of the string of Russian River Valleys, lies (eight) miles north of Ukiah and Lake Mendocino on a series of higher terraces. Representing the birthplace of Mendocino winemaking, it is the home of some of the county's largest wineries. With more than 40 percent of the county's acreage, it is the most important of all the producing regions in the two county region [Lake and Mendocino]. A region II area, it produces above-average quality Zinfandel, Cabernet Sauvignon, Chardonnay, Petite Sirah, and Sauvignon Blanc. One of its elements of celebrity is the considerable quantity of Manzanita soil." (pg. 295). The petitioner was unable to ascertain the origin of the term "Manzanita soil."

However, he states that, "Redwood Valley does contain the largest deposit of the famous Redvine soil in the region and perhaps it is this to which Baxevanis refers."

The soils in the viticultural area have several unique features as determined by the U.S.D.A. Soil Conservation Service (SCS). The 1991 *Soil Survey of Mendocino County, Eastern Part, and Trinity County, Southwestern Part, California*, was used extensively by the petitioner to determine the identity and areas of soils for comparison. Whereas all of the specific soil series that are found in "Redwood Valley" occur in the surrounding area, it is the proportions in which they appear in "Redwood Valley" that are unique. "Redwood Valley" has by far the largest deposit of Redvine Series soil (#184-186 SCS Survey) in the area. Nearly one quarter of the viticultural area's plantable acreage is composed of soils of the Redvine Series. Potter Valley Viticultural Area to the east has no Redvine Series soils. The Calpella/Ukiah area to the south of "Redwood Valley" has a few small and isolated pockets of Redvine soils but their combined area amounts to less than 10% of the area covered by Redvine Series soils in "Redwood Valley."

Another soil series that stands out, is the Pinole Gravelly Loam (#178-180 SCS Survey), which also occurs in the Potter Valley and Ukiah areas, but is a much smaller component of the area's overall composition. "Redwood Valley" has three times as much Pinole Gravelly Loam as either of these other two areas. This soil type makes up nearly a third of "Redwood Valley's" growing area.

The Redvine and Pinole Gravelly Loam soil series comprise over half of the vineyard acreage of "Redwood Valley." The rest are an amalgam of six other types: Feliz, Pinnobie, Yokayo, Russian, Talmage, and Yokayo/Pinole/Pinobie. These last six general types (plus traces of a few more types) evidence themselves in the neighboring areas in varying proportion, but all play a larger role elsewhere than they do in "Redwood Valley."

The petitioner provided a table illustrating the proportions of soil types in the "Redwood Valley" area compared with the Ukiah/Calpella area. These figures were derived from SCS maps and soil descriptions, and were measured with a Compensating Polar Planimeter. The table indicates that, while "Redwood Valley" contains most of the same soil types as the Ukiah Valley, such soils are present in different quantities in the respective areas.

Climate

One local winemaker, Jefferson Hinchliffe of Gabrielli Winery stated as follows about the way "Redwood Valley's" unique climate and soils manifest themselves in the wine: "I have been making wines from the many districts of Mendocino County for (t)en years. During that period I have developed a sense of what distinguishes the wines of Redwood Valley * * *. The wines in general are of higher acidity and later maturity than of Ukiah Valley. The typical picking schedule for a given variety would begin with the Hopland-Sanel area, followed by Ukiah-Calpella, and then Redwood Valley. Comparisons with Potter Valley are based on fewer varieties since Potter Valley is planted mainly to early ripening Pinot and Chardonnay. Anderson Valley north of Boonville ripens later than Redwood Valley * * *. Acidity, color (especially in Pinot Noir), and phenolic content are higher in Redwood Valley than in adjacent regions. Higher temperatures in general lower phenolic content, color, and acidity * * *. Late ripening varieties can have difficulty ripening in Redwood Valley. Cabernet in general is able to tolerate the rain associated with the late season, but more fragile varieties such as Petite Sirah, Carignane, and Sangiovese can rot before ripening in heavier soils when bearing large crops. Conservative farming can produce stellar examples of these varieties * * *."

Another wine maker, Jed Steele, of Steele Wines submitted a letter of support for the petition, in which he stated as follows. "[T]he REDWOOD VALLEY of Mendocino County is an excellent and singular grape growing region, certainly worthy of receiving a separate viticultural district designation * * *. It appears that REDWOOD VALLEY's particular climate allows for attaining many of the positive quality factors found in grapes grown in the cooler regions of Mendocino (Anderson Valley, etc.) as well as giving harvests that allow for more consistent maturity found in the more interior valleys (Potter Valley, etc.) of this county."

In addition, the February 15, 1993 issue of *The Wine Spectator*, page 11, contains an article entitled "California's Redwood Valley Moves Out of the Shadows," by Robyn Bullard, which states as follows. "Wineries such as Fetzer, Weibel, and Frey have been in Redwood Valley for years, but now four more wineries have cropped up. The region boasts good soil and operating costs that are cheaper than other areas in Northern California * * *. Costs

aside, Redwood Valley vineyards have long yielded quality grapes * * *. Compared to the hot Ukiah Valley, Redwood Valley is much cooler. The area rarely gets fog, but the terrain and location allow ocean breezes—the same winds that cool Anderson Valley."

There are a number of factors that make "Redwood Valley" climatically distinct. The petitioner provided a table listing the major agricultural areas of Mendocino County and their respective climatic region and number of degree days, as reflected in the *SCS Soil Survey*, 1991, pg. 4. Degree day figures for Anderson Valley were unavailable. The table indicates that "Redwood Valley" has 2,914 degree days and is the only Region II Climate in Mendocino County, factors that the petitioner states are significant. In support of this assertion, the petitioner cites the grape growing textbook *General Viticulture*, 1974, by Winkler et al., which he states contains the following excerpt: "Region II.—An area of great importance. The valleys can produce most of the premium-quality and good standard white and red table wines of California. The less productive slopes and hillsides vineyards cannot compete in growing grapes for standard wines, because of lower yield, but, nevertheless, can produce favorable yields of fine wines" (pgs. 66–67).

The petitioner states that, "(s)ince November of 1987, Light Vineyard of Redwood Valley (Latitude 39 degrees 18.32', Longitude 123 degrees 12.46', elevation 800') has maintained a U.S. Weather Bureau standard weather station including the following instruments: maximum/minimum thermometer, Belfort Recording Hygrothermograph, Belfort Recording Pyranograph, Totalizing Anemometer, Evaporation Pan, and Rain Gauge. Readings are taken daily, and data are transmitted monthly to the California Irrigation Management Information Service in Sacramento."

Records from this station show that, in the most recent eight year period, the "Redwood Valley" received 22% more rainfall than the Ukiah Valley. The petitioner provided a table comparing the monthly totals for rainfall in "Redwood Valley" and Ukiah, for the eight year period for which they have maintained records. The table and charts were prepared from data gathered from the Light Vineyard Weather station which meets U.S. Weather Bureau standards. According to these records, the average total monthly rainfall in Ukiah Valley was 32.48 inches during the period of July through June compared to an average total of 39.62 inches for "Redwood Valley" during the

same period. The petitioner also provided a graph comparing the annual rainfall values for "Redwood Valley" and Ukiah Valley averaged over a six year period. The graph indicates that the precipitation values for "Redwood Valley" were consistently higher than those for Ukiah Valley over the six year period measured.

"Redwood Valley's" temperatures are several degrees lower in daily lows than Ukiah Valley. The petitioner states that, "(t)his accounts for the lower growing degree day totals in Redwood Valley and its placement in Region II. So, although Redwood Valley may reach daily high temperatures similar to the Ukiah area, because of cooler nights there remains a longer morning cool period." The petitioner also provided a chart comparing monthly average temperatures for the two areas averaged over a six year period. This chart supports the petitioner's contentions regarding average maximum and minimum temperatures.

Boundaries

The "Redwood Valley" viticultural area is located in east central Mendocino County, California. The boundaries of the viticultural area can be found on four U.S. Geological Survey Quadrangle Maps labeled, "Redwood Valley, Calif." 1960, photorevised 1975, "Ukiah, Calif." 1958, photorevised 1975, "Laughlin Range, Calif." 1991 and, "Orr Springs, California, provisional edition" 1991. All are 7.5 minute series maps. It should be noted that the entire eastern boundary of the "Redwood Valley" viticultural area abuts the western boundary of the Potter Valley viticultural area.

Executive Order 12866

It has been determined that this 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.

Regulatory Flexibility Act

It is hereby certified that this regulation will not have a significant impact on a substantial number of small entities. The establishment of a viticultural area is neither an endorsement nor approval by ATF of the quality of wine produced in the area, but rather an identification of an area that is distinct from surrounding areas. ATF believes that the establishment of viticultural areas merely allows wineries to more accurately describe the origin of their wines to consumers, and 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 own efforts and consumer acceptance of wines from that region.

Accordingly, a regulatory flexibility analysis is not required because this final rule, is not expected (1) to have significant 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.

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, Pub. L. 96-511, 44 U.S.C. Chapter 35, and its implementing regulations, 5 C.F.R. Part 1320, do not apply to this rulemaking because no requirement to collect information is proposed.

Drafting Information

The principal author of this document is David W. Brokaw, Wine, Beer, and Spirits Regulations Branch, Bureau of Alcohol, Tobacco and Firearms.

List of Subjects in 27 CFR Part 9

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

Authority and Issuance

Title 27, Code of Federal Regulations, Part 9, American Viticultural Areas, is 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.

Subpart C—Approved American Viticultural Areas

Par. 2. Subpart C is amended by adding § 9.153 to read as follows:

* * * * *

§ 9.153 Redwood Valley.

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

(b) *Approved maps.* The appropriate maps for determining the boundary of the Redwood Valley viticultural area are four Quadrangle 7.5 minute series 1:24,000 scale U.S.G.S. topographical maps. They are titled:

- (1) "Redwood Valley, Calif." 1960, photorevised 1975.
- (2) "Ukiah, Calif." 1958, photorevised 1975.
- (3) "Laughlin Range, Calif." 1991.

(4) "Orrs Springs, California, provisional edition" 1991.

(c) *Boundary.* The Redwood Valley viticultural area is located in the east central interior portion of Mendocino County, California. The boundaries of the Redwood Valley viticultural area, using landmarks and points of reference found on appropriate U.S.G.S. maps, are:

(1) The beginning point is the intersection of State Highway 20 with the eastern boundary of Section 13, T16N/R12W located in the extreme northeast portion of the U.S.G.S. map, "Ukiah, Calif.;"

(2) Then north along the east boundary line of Sections 12 and 1 to the northeast corner of Section 1, T16N/R12W on the U.S.G.S. map, "Redwood Valley, Calif.;"

(3) Then west along the northern boundary line of Section 1 to the northwest corner of Section 1, T16N/R12W;

(4) Then north along the east boundary line of sections 35, 26, 23, 14, 11, and 2 to the northeast corner of Section 2, T17N/R12W;

(5) Then west along the northern boundary of Sections 2, 3, 4, 5, and 6 to the northwest corner of Section 6, T17N/R12W;

(6) Then 10 degrees southwest cutting diagonally across Sections 1, 12, 13, 24, 25, and 36 to a point at the northwest corner of Section 1, T16N/R13W on the U.S.G.S. map, "Laughlin, Range, Calif.;"

(7) Then south along the western boundary line of Sections 1 and 12 to the southwest corner of Section 12, T16N/R13W;

(8) Then 13 degrees southeast across Sections 13, 18, and 17 to the intersection of State Highway 20 and U.S. Highway 101, T16N/R12W on the U.S.G.S. map, Ukiah, Calif.;" and

(9) Then easterly along a line following State Highway 20 back to the beginning point at the eastern boundary of Section 13, T16N/R12W located in the extreme northeast portion of the U.S.G.S. map "Ukiah, Calif."

Signed: November 8, 1996.

John W. Magaw,
Director.

Approved: November 22, 1996.

Dennis M. O'Connell,
Acting Deputy Assistant Secretary (Regulatory, Tariff, and Trade Enforcement).
[FR Doc. 96-32422 Filed 12-20-96; 8:45 am]

BILLING CODE 4810-31-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[CO24-1-5701a, CO25-1-5700a, CO26-1-5702a; FRL-5664-3]

Approval and Promulgation of Air Quality Implementation Plans; Colorado; 1990 Base Year Carbon Monoxide Emission Inventories for Colorado

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is approving the 1990 base year carbon monoxide (CO) emission inventories for Colorado Springs, Denver/Longmont, and Fort Collins that were submitted by the State to satisfy certain requirements of the Clean Air Act (CAA), as amended in 1990.

DATES: This final rule will be effective February 21, 1997 unless adverse or critical comments are received by January 22, 1997. If the effective date is delayed, timely notice will be published in the **Federal Register**.

ADDRESSES: Written comments should be addressed to: Richard R. Long, Director, Air Program (8P2-A), United States Environmental Protection Agency, Region 8, 999 18th Street, Suite 500, Denver, Colorado 80202-2466.

Copies of the documents relevant to this action are available for public inspection between 8:00 a.m. and 4:00 p.m., Monday through Friday at the following office: United States Environmental Protection Agency, Region 8, Air Program, 999 18th Street, Suite 500, Denver, Colorado 80202-2466.

FOR FURTHER INFORMATION CONTACT: Tim Russ, Air Program (8P2-A), United States Environmental Protection Agency, Region 8, 999 18th Street, Suite 500, Denver, Colorado 80202-2466 ph. (303) 312-6479.

SUPPLEMENTARY INFORMATION: Section 110(a)(2)(H)(i) of the CAA provides the State the opportunity to update its State Implementation Plan (SIP) as needed or to address new statutory requirements. The State is utilizing this authority to include the Colorado Springs, Denver/Longmont, and Fort Collins 1990 base year CO emission inventories as part of the SIP.

I. Background to the Action

As required by the CAA, States have the responsibility to inventory emissions contributing to NAAQS nonattainment, to track these emissions