

MACRO rating of 1 or 2 in their most recent examinations.

The estimated average additional annual burden associated with the new recordkeeping requirement for institutions claiming exemptions is 1 hour per recordkeeper. While maintaining an aggregate list of qualified loans and their performance constitutes a new recordkeeping requirement for those savings associations claiming the exemption, those savings associations should realize an overall reduction in their recordkeeping burden through the exemption from maintaining loan documentation on such loans. The amount of net savings generated by the exemption is not estimable, however, as data on the number of small and medium-sized business and farm loans is not currently available.

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Thrift Supervision, 1700 G Street NW., Washington, DC and to the Office of Management and Budget, Paperwork Reduction Project (1550-0011), Washington, DC, 20503.

**Regulatory Flexibility Act**

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, do not apply.

**Executive Order 12291**

The OTS has determined that this rule does not constitute a "major rule"; therefore, a regulatory impact analysis is not required.

**List of Subjects in 12 CFR Part 563**

Accounting, Advertising, Crime, Currency, Flood insurance, Investments, Reporting and recordkeeping requirements, Savings associations, Securities, Surety bonds.

Accordingly, the Director of the Office of Supervision hereby amends part 563, subchapter D, chapter V, title 12 of the Code of Federal Regulations as set forth below:

**SUBCHAPTER D—REGULATIONS APPLICABLE TO ALL SAVINGS ASSOCIATIONS**

**PART 563—OPERATIONS**

1. The authority citation for part 563 continues to read as follows:

**Authority:** 12 U.S.C. 1462, 1462a, 1463, 1464, 1467, 1468, 1817, 1818, 3806; 42 U.S.C. 4106; Pub. L. 102-242, sec. 306, 105 Stat. 2236, 2335 (1991).

2. Section 563.170 is amended by adding a new paragraph (c)(10) to read as follows:

**§ 563.170 Examinations and audits; appraisals; establishment and maintenance of records.**

\* \* \* \* \*

(c) \* \* \*  
(10) *Exemption for loans to small and medium-size businesses and farms.—(i) Definitions.* For purposes of this paragraph (c)(10):

(A) *Qualifying loan* means any loan to a small or medium-sized business or farm that satisfies the following conditions:

(1) The loan, or group of loans to any one borrower, does not exceed either \$900,000 or three per cent of the association's total capital, as defined in 12 CFR part 567, whichever is the lesser amount;

(2) The loan is not made to any executive officer, director, or principal shareholder of the association, or any related interest of that person; and

(3) The loan is not delinquent as of the date it is selected by the association as qualifying for the exemption.

(B) *Eligible savings association* means any savings association that:

(1) Is well- or adequately capitalized, as defined in 12 CFR part 565; and

(2) Was assigned a MACRO rating of 1 or 2 in its most recent report of examination.

(ii) *Exemption.* Subject to the conditions set forth in paragraph (c)(10)(iv) of this section, the requirements of paragraphs (c)(1) through (c)(7) of this section shall not apply to qualifying loans made by an eligible savings association.

(iii) *Maintenance of records.* For all qualifying loans for which this exemption is claimed, an eligible savings association shall assign in writing such loans to an exempted portion of the association's portfolio. Each such association shall maintain an aggregate list or accounting segregation of the assigned loans, including the performance status of each loan.

(iv) *Conditions of exemption.* This exemption is subject to the following conditions:

(A) The aggregate value of all loans designated by the association as qualifying for this exemption may not exceed 20 per cent of the association's total capital, as defined in 12 CFR Part 567;

(B) Eligible savings associations shall continue to evaluate the collectibility of loans assigned to the exempt portion of the portfolio, in determining the adequacy of the association's general valuation allowance (GVA) attributable to such loans. Such evaluation shall be included in the association's internal records of its assessment of the adequacy of its GVA; and

(C) In the event an eligible association that has assigned loans to an exempt portion of its portfolio becomes ineligible because it no longer meets the requirements of paragraph (c)(10)(i)(B) of this section, such association may not add new loans (including renewals of qualified loans) to the exempt portion of its portfolio.

\* \* \* \* \*

Dated: April 7, 1993.

By the Office of Thrift Supervision.

Jonathan L. Fiechter,

Acting Director.

[FR Doc. 93-11398 Filed 5-12-93; 8:45 am]

BILLING CODE 6720-01-P

**Bureau of Alcohol, Tobacco and Firearms**

**27 CFR Part 9**

[T.D. ATF-341; Re: Notice Nos. 741, 768]

RIN 1512-AA07

**Spring Mountain District Viticultural Area (91F-067P)**

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

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

**SUMMARY:** This final rule establishes a viticultural area to be known as "Spring Mountain District" in Napa County, California. The original petition for designation of a viticultural area to be named "Spring Mountain" and an amended petition to change the name of the viticultural area to "Spring Mountain District" were filed on behalf of Marston Vineyards and York Creek Vineyards. The establishment of viticultural areas and the subsequent use of viticultural area names as appellations of origin in wine labeling and advertising allows wineries to designate the specific areas where the grapes used to make the wine were grown and enables consumers to better identify the wines they purchase.

**EFFECTIVE DATE:** June 14, 1993.

**FOR FURTHER INFORMATION CONTACT:** Marjorie D. Ruhf, Wine and Beer 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 definite American

viticultural areas. The regulations also allow the name of an approved viticultural area to be used as an appellation of origin in the labeling and advertising of wine.

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. Section 4.25a(e)(1), Title 27, CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been delineated in Subpart C of Part 9. Section 4.25a(e)(2) outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area.

#### Petition

ATF received a petition from Marston Vineyards and York Creek Vineyards proposing to establish a viticultural area in Napa County, California, to be known as "Spring Mountain." The viticultural area is located within Napa Valley just west of St. Helena, and contains approximately 8,600 acres, of which approximately 800 acres are planted to vineyards. The terrain in the viticultural area consists primarily of east-facing slopes of varying steepness, ranging in elevation from 400 to 2,600 feet. Thirteen wineries are currently active within the viticultural area.

#### Comments

ATF received four comments during the initial comment period. Two commenters, Cain Cellars and Summit Ranch Vineyard, both of St. Helena, California, wrote in support of the proposed area. The third comment, on behalf of Spring Mountain Vineyard, opposed designation of the area as "Spring Mountain" and suggested instead the name "Spring Mountain District". The fourth comment, from the petitioner, responded to the arguments submitted on behalf of Spring Mountain Vineyards, but did not object to the suggested amendment of the name.

#### Amended Notice

On December 2, 1992, the petitioner wrote to ATF to amend its original petition by changing the proposed viticultural area name to "Spring Mountain District." Since the original petition had included evidence which supported both names, ATF issued an amended notice of proposed rulemaking on February 17, 1993, Notice No 768 (58 FR 40452), and allowed a 30-day comment period to obtain comments on the amended name.

#### Comments on the Amended Notice

During the second comment period, only one comment was received. Summit Ranch Vineyards wrote to suggest "Appellation: Spring Mountain" or "Spring Mountain Appellation" as an alternative name, explaining that either designation had a more "quality oriented sound," but offering no evidence that the area is locally or nationally known by either name.

#### Conclusion

On the basis of the information in the original petition and material presented in the comments of Spring Mountain Vineyard and the amended petition, ATF is adopting the viticultural area with the boundaries proposed, and the name Spring Mountain District.

#### Name

The petitioner provided the following items of evidence that the viticultural area is locally and nationally known by the name "Spring Mountain District":

(a) An article in the local newspaper, the *St. Helena Star*, on December 7, 1877, made reference to "Spring Mountain District" and mentioned viticultural activities in the area.

(b) In the *St. Helena Star* for January 9, 1880, there was a "Spring Mountain Notes" column which included this item: "Fifty eight tons of grapes were sold from Spring Mountain district last Fall, and it is calculated that 100 acres of new vineyard will be put in this Spring."

(c) In *Massee's Guide to Wines of America* (1974) "Spring Mountain" is described as being "well on its way to becoming a separate district in its own right, much like Carneros. \* \* \*"

#### Evidence of Boundaries

Evidence that the boundaries of the viticultural area are as specified in the petition includes the following:

(a) In *The Connoisseurs' Handbook of California Wines* (1984) Spring Mountain is described as being a "distinctly identifiable watershed area \* \* \* west of St. Helena in the Napa Valley and forms part of the Mayacamas Mountain Range \* \* \*. Chateau Chevalier and Spring Mountain Vineyard occupy two of the loveliest refurbished properties \* \* \*. York Creek Vineyard is near the top of Spring Mountain. Other wineries here include Yverdon, Keenan, and Smith-Madrone."

(b) In the *New Signet Book of Wine* (1985) Alexis Bespaloff states that a "number of wineries are situated on the slopes of Spring Mountain, the best known of which is Spring Mountain Vineyards." Other vineyards and wineries mentioned as being within the

viticultural area include Newton Vineyard, Chateau Chevalier, Cain Cellars, Robert Keenan Winery, Yverdon Vineyards, Ritchie Creek Vineyard, and Smith-Madrone Vineyards.

(c) In *California's Great Cabernets* (1989) Spring Mountain is described as including the vineyards of York Creek, Smith-Madrone, Philip Togni, and Newton.

(d) In *Massee's Guide to Wines of America* (1974) Lyncrest Vineyard, currently Marston Vineyards, is also mentioned as being within the Spring Mountain viticultural area.

(e) In Bob Thompson's *Pocket Guide to California Wines* (1990) Streblov Vineyards is described as "[a] 12-acre vineyard and 1,200 case winery on the lower slopes of Spring Mountain \* \* \*" and Spring Mountain is said to be the "sole source of all the wines" for Stony Hill Vineyards.

Collectively taken, the locations of the vineyards and wineries mentioned above closely approximate the parameters of the Spring Mountain District viticultural area.

#### Geographical Features

Approximately 8,600 acres in size, the viticultural area is roughly rectangular in shape, extending south from the northern boundary along Ritchie Creek approximately 5 miles to slightly beyond Sulphur Creek, and east from the Napa-Sonoma county line along the summit of the Mayacamas mountain range to the 400 foot elevation near the Napa Valley floor. The 400 foot contour line generally marks the boundary between valley floor and hillside vineyards in the Napa Valley. The following features distinguish the viticultural area from the surrounding areas:

#### Soil

(a) The predominant soils in the viticultural area consist of moderately deep and deep residual upland soils that are an equal mix derived from volcanic and sedimentary parent material.

(b) North of the viticultural area the segment of the Mayacamas Mountains from Diamond Mountain northward is comprised almost entirely of residual upland soils of volcanic origins.

(c) To the east of the viticultural area, on the Napa Valley floor, alluvial soils predominate. These soils are developed on fill materials outwashed from the upland soils and rocks surrounding the valley. The Soil Conservation Service has identified 10 alluvial soils in the valley, none of which are found within the viticultural area.

(d) Of the six residual upland soils from volcanic rocks that are present in the viticultural area (Aiken, Boomer, Felta, Forward, Hambright, and Kidd), only one (Forward) appears in any significant acreage to the south of the viticultural area. Both areas contain residual soils from sedimentary rocks, but the acreage and percentage of these sedimentary residual rocks is much greater in the southern segment of the Mayacamas Mountains, south of the Spring Mountain District viticultural area.

(e) West of the viticultural area the warmer slopes of the Mayacamas Mountains in Sonoma County have greater evapotranspiration loss of soil moisture, which is reflected in shallower soils. Also, the residual upland soils from volcano rock found in the viticultural area (Aiken, Boomer, Forward, Felta, and Kidd) are not present in the Sonoma County slopes of the Mayacamas Mountains.

#### **Climate**

(a) The Spring Mountain District's primarily eastern exposure contributes to the region's distinctive climate. It is characterized by cool, wet winters and warm dry summers, moderated by periodic ocean breezes and fog. Average annual rainfall is 37 inches.

(b) In readings taken between April 1 and October 31, generally considered the growing season for wine grapes, daily maximum temperatures were from 2 to 11 degrees lower within the viticultural area than in St. Helena, less than 4 miles away to the east. Conversely, daily minimum temperatures within the Spring Mountain District were generally higher than those recorded in St. Helena, often by more than 10 degrees.

(c) Comparisons of maximum and minimum temperatures within the viticultural area with those of Calistoga, less than 8 miles away to the north, produce the same results, with even greater temperature differentials between the two locations.

(d) The viticultural area regularly enjoys cooling breezes and occasional fog from the west when the rest of Napa Valley, including hillside locations both north and south remains hot.

(e) The Spring Mountain District experiences greater annual rainfall than the floor of Napa Valley. In addition, the annual average rainfall in Spring Mountain is approximately 37 inches, more than the seasonal normal of 33.11 inches in St. Helena.

(f) According to meteorologist Steven Newman of Earth Environment Service, a review of daily thermograph readings taken during the summer and early

autumn shows that the temperature within the viticultural area rises relatively rapidly until reaching a maximum high at approximately 3 p.m., then declines with similar speed during the late afternoon. The daily maximum temperature is reached approximately 1 hour earlier than in St. Helena, and the temperature peak is very brief when compared to locations on the Napa Valley floor.

#### **Boundary**

The boundary of the Spring Mountain District viticultural area may be found on four United States Geological Survey (U.S.G.S.) maps with a scale of 1:24000. The boundary is described in § 9.143.

#### **Miscellaneous**

ATF does not wish to give the impression by approving the Spring Mountain District viticultural area that it is approving or endorsing the quality of wine from this area. ATF is approving this area as being distinct from surrounding areas, not better than other areas. By approving this area, ATF will allow wine producers to claim a distinction on labels and advertisements as to origin of the grapes. Any commercial advantage gained can only come from consumer acceptance of Spring Mountain District wines.

#### **Executive Order 12291**

It has been determined that this document is not a major regulation as defined in Executive Order 12291 and a regulatory impact analysis is not required 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**

It is hereby certified that this regulation will not have a significant economic impact on a substantial number of small entities. ATF believes that the establishment of a viticultural area merely allows wineries to more accurately describe the origin of their wines to consumers, and helps consumers identify the wines they purchase. Any commercial advantage can come only from consumer acceptance of wines made from grapes grown within the area. In addition, no

new recordkeeping or reporting requirements are imposed. Accordingly, a regulatory flexibility analysis is not required.

#### **Paperwork Reduction Act**

The provisions of the Paperwork Reduction Act of 1980, Public Law 96-511, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR Part 1320, do not apply to this final rule because no requirement to collect information is imposed.

#### **Drafting Information**

The principal author of this document is Marjorie D. Ruhf, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms.

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

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

#### **Authority and Issuance**

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

### **PART 9—AMERICAN VITICULTURAL AREAS**

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

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

**Par. 2.** Subpart C is amended by adding § 9.143 to read as follows:

#### **Subpart C—Approved American Viticultural Areas**

\* \* \* \* \*

#### **§ 9.143 Spring Mountain District.**

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

(b) *Approved maps.* The appropriate maps for determining the boundary of the Spring Mountain District viticultural area are four U.S.G.S. 7.5 minute series topographical maps of the 1:24000 scale. They are titled:

(1) "Kenwood, Calif.," 1954 (photorevised 1980).

(2) "Rutherford, Calif.," 1951 (photorevised 1968).

(3) "St. Helena, Calif.," 1960 (photorevised 1980).

(4) "Calistoga, Calif.," 1958 (photorevised 1980).

(c) *Boundary.* The Spring Mountain District viticultural area is located in Napa County, California, within the Napa Valley viticultural area. The boundary is as follows:

(1) Beginning on the Calistoga quadrangle map at the Napa-Sonoma county line at the boundary line

between sections 18 and 19 in T8N/R6W.

(2) Then east along the boundary line between sections 18 and 19 for approximately 3/4 of a mile to its intersection with Ritchie Creek at the boundary line between sections 17 and 20.

(3) Then northeast along Ritchie Creek approximately 2 miles, to the 400 foot contour line in the northeast corner in section 16 of T8N/R6W.

(4) Then along the 400 foot contour line in a northeast then generally southeast direction, through the St. Helena and Rutherford quadrangle maps, approximately 9 miles, past the town of St. Helena to the point where it intersects Sulphur Creek in Sulphur Canyon, in the northwest corner of section 2 in T7N/R6W.

(5) Then west along Sulfur Creek (onto the Kenwood quadrangle map) and south to the point where it first divides into two intermittent streams in section 3 in T7N/R6W.

(6) Then south along the intermittent stream approximately 1.5 miles to the point where it intersects the 2,360 foot contour line in section 10 in T7N/R6W.

(7) Then southwest in a straight line, approximately .10 mile, to the unnamed peak (elevation 2600 feet) at the boundary line between Napa and Sonoma Counties.

(8) Then in a generally northwest direction along the Napa-Sonoma county line, through sections 10, 9, 4, 5, 32, 33, 32, 29, 20, and 19, to the beginning point on the Calistoga quadrangle map at the boundary between sections 18 and 19 in T8N/R6W.

Signed: April 14, 1993.

Stephen E. Higgins,  
Director.

Approved: April 23, 1993.

John P. Simpson,  
Deputy Assistant Secretary (Regulatory, Tariff  
and Trade Enforcement).

[FR Doc. 93-11353 Filed 5-12-93; 8:45 am]

BILLING CODE 4810-31-U

## 27 CFR Part 9

[T.D. ATF-340; Re: Notice No. 763]

RIN 1512-AA07

### Dunnigan Hills Viticultural Area (92F-014P)

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

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

**SUMMARY:** This final rule establishes a viticultural area located in Yolo County,

California, to be known as Dunnigan Hills. The establishment of viticultural areas and the subsequent use of viticultural area names as appellations of origin in wine labeling and advertising allows wineries to designate the specific areas where the grapes used to make the wine were grown and enables consumers to better identify the wines they purchase.

**EFFECTIVE DATE:** June 14, 1993.

**FOR FURTHER INFORMATION CONTACT:** Marjorie D. Ruhf, Wine and Beer 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 definite American viticultural areas. The regulations also allow the name of an approved viticultural area to be used as an appellation of origin in the labeling and advertising of wine.

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. Section 4.25a(e)(1), title 27, CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been delineated in subpart C of part 9. Section 4.25a(e)(2) outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area.

##### Petition

ATF received a petition from R.H. Phillips Vineyards proposing to establish a viticultural area in northwestern Yolo County, California, to be known as "Dunnigan Hills." The viticultural area is located near Sacramento, California, and between the Napa Valley viticultural area on the west and the Clarksburg, Merritt Island and Lodi viticultural areas to the southeast. The area contains approximately 89,000 acres, of which 1,118 acres are planted to vineyards. The terrain in the viticultural area is characterized by gently rolling hills of 100 to 400 feet elevation. The petitioner states that two wineries and six vineyards are located within the viticultural area. In response to this petition, ATF published a notice of

proposed rulemaking, Notice No. 763 in the Federal Register of December 11, 1992 (57 FR 58763).

##### Comments

ATF received one comment during the 45-day comment period which ended on January 25, 1993. The commenter, Marc Mondavi, stated that he and his brother Peter Mondavi, as owners of Charles Krug Winery in St. Helena, California, support the establishment of the Dunnigan Hills viticultural area.

##### Evidence of Name

The Dunnigan Hills area was settled in the 1850's and 1860's by western Europeans who raised grain and livestock. In 1853, A.W. Dunnigan opened a hotel which was known as Dunnigan's. In 1876, the Northern Railway was extended to Dunnigan's hotel and a town plat was recorded for the town of Dunnigan. The near-by hills were soon known as the Dunnigan Hills.

Evidence that the name of the proposed area is locally and/or nationally known as referring to the area specified in the petition includes:

(a) The name "Dunnigan Hills" appears on each of the three U.S.G.S. maps submitted with the petition.

(b) The name "Dunnigan Hills" appears in the United States Department of Agriculture *Soil Survey of Yolo County California* (1972).

(c) The name "Dunnigan Hills" was used to describe the subject area as early as 1913 by Tom Gregory in *A History of Yolo County* and as recently as 1987 by Joann Larkey, in *Yolo County, Land of Changing Patterns*.

##### Evidence of Boundaries

Each of the U.S.G.S. maps used to delineate the boundary of the area shows the name "Dunnigan Hills" over an area which roughly coincides with the boundaries of the Dunnigan Hills viticultural area. The southern, eastern and northern boundaries of the Dunnigan Hills are distinguished by a change from the low, rolling hills of the viticultural area to the flat terrain of the floor of the Sacramento Valley. On the west, the terrain changes to the steeper and higher slopes of the Coast Range.

##### Geographical Features

The Dunnigan Hills are a group of low, rolling hills running in a northwest to southeasterly direction for about 19.5 miles. At the widest point, the hills are about 10 miles wide.

The petitioner provided the following evidence relating to features which distinguish the viticultural area from the surrounding areas: