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DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9

[Notice No. 874]
RIN 1512-AA07

Applegate Valley Viticultural Area (99R-112P)

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

ACTION: Notice of proposed rulemaking.

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms (ATF) has received a petition proposing to establish a viticultural area within the State of Oregon to be known as "Applegate Valley." The proposed viticultural area is within Jackson and Josephine Counties and entirely within the existing Rogue Valley viticultural area as described in 27 CFR 9.132. Mr. Barnard E. Smith, President, The Academy of Wine of Oregon Inc., submitted the petition. Mr. Smith believes that "Applegate Valley" is a widely known name for the petitioned area, that the area is well defined, and that the area is distinguished from other areas by its soil and climate.

DATES: Send your comments on or before July 6, 1999.

ADDRESSES: Send written comments to: Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20091-0221 (Attn: Notice No. 874). Copies of the petition, the proposed regulations, the appropriate maps, and any written comments received will be available for public inspection during normal business hours at the ATF Reading Room, Office of Public Affairs and Disclosure, Room 6480, 650 Massachusetts Avenue, NW, Washington, DC., 20226.

FOR FURTHER INFORMATION CONTACT: Jackie White, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue, NW, Washington DC., 20226, (202) 927-8145.

SUPPLEMENTARY INFORMATION:

1. Background on Viticultural Areas

What is ATF's Authority To Establish a Viticultural Area?

ATF published Treasury Decision ATF-53 (43 FR 37672, 54624) on August 23, 1978. This decision revised the regulations in 27 CFR Part

4, Labeling and Advertising of Wine, to allow the establishment of definitive viticultural areas. The regulations allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements. On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 56692) which added 27 CFR Part 9, American Viticultural Areas, for the listing of approved American viticultural areas, the names of which may be used as appellations of origin.

What is the Definition of an American Viticultural Area?

An American viticultural area is a delimited grape-growing region distinguishable by geographic features. The viticultural features such as soil, climate, elevation, topography, etc., distinguish it from surrounding areas.

What Is Required To Establish a Viticultural Area?

Any interested person may petition ATF to establish a grape-growing region as a viticultural area. The petition should include:

- Evidence that the name of the proposed viticultural area is locally and/or nationally known as referring to the area specified in the petition;
- Historical or current evidence that the boundaries of the viticultural area are as specified in the petition;
- Evidence relating to the geographical characteristics (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;

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

2. Applegate Valley Petition

ATF has received a petition proposing to establish a viticultural area within the State of Oregon to be known as "Applegate Valley." The proposed viticultural area is within Jackson and Josephine Counties, and entirely within the existing Rogue Valley viticultural area described in 27 CFR 9.132. The petition was submitted by Mr. Barnard E. Smith, President, The Academy of Wine of Oregon Inc. Mr. Smith believes that "Applegate Valley" is a widely known name for the petitioned area. Mr. Smith states that the area is well defined, and that the area is distinguished from other areas by its soil and climate.

According to the petitioner, the Applegate Valley has been a grape-growing region since 1870 when A. H. Carson began planting 30 acres of grapes along North Applegate Road. There are now six bonded wineries in the valley as well as 23 vineyards. The petitioner states that over 235 acres have been planted to grapes.

What Name Evidence Has Been Provided?

According to the petitioner, the Applegate River was named for one or more of the Applegate brothers who explored the area in 1846. The

U.S.G.S. map used to show the boundaries of the area (Medford, Oregon; California scale 1:250,000) uses the name Applegate River and shows the town of Applegate within the proposed "Applegate Valley" viticultural area. The petitioner has provided the following other references as name evidence.

- "The Wine Appellations of Oregon" map published by the Oregon Wine Marketing Coalition shows the Applegate Valley and mentions it in its notes.

- The Oxford Companion to Wine (first edition) mentions the Applegate Valley on page 693.

- The Oregon Winegrape Growers' Guide devotes several paragraphs to a discussion of the Applegate Valley as one of Oregon's grape growing areas.

- Treasury decision ATF-310 (The Rogue Valley Viticultural Area) describes "the Applegate Valley (within the Rogue Valley viticultural area) as one of the warmest grape growing areas in western Oregon."

What Boundary Evidence Has Been Provided?

Applegate Valley is surrounded by the Siskiyou Mountains. To the east and south is the Rogue River National Forest. To the west is the Siskiyou National Forest. According to the petitioner, these proposed boundaries have been identified by the U.S. Forest Service in minute detail but do not show on published maps. The petitioner states that these boundaries can be closely approximated by straight-line segments drawn between prominent physical features of the terrain, mostly mountaintops. Boundaries of national forests were used where appropriate.

What Evidence Relating to Geographical Features Has Been Provided?

- Topography: The proposed boundaries are within Jackson and Josephine

Counties in the State of Oregon. The proposed area is entirely within the existing Rogue Valley viticultural area. The Rogue Valley viticultural area has three distinct sub regions: Illinois Valley, Applegate Valley, and Bear Creek Valley. The Illinois Valley lies to the west of the proposed boundaries and Bear Creek Valley lies directly to the east of the proposed boundaries.

The Applegate Valley is approximately 50 miles long running from its origins near the California border generally northwest to where it joins the Rogue River just west of Grants Pass. According to the petitioner, the surrounding Siskiyou Mountains are believed to have been created in the Jurassic period by up-thrusts of the ocean floor as a plate forced its way under the continental shelf. The proposed boundaries are found on the U.S.G.S. map titled "Medford, Oregon; California" NK 10-5 scale 1:250,000 (1955, revised 1976).

- Soil: The petitioner states that soil types are generally granite in origin as opposed to the volcanic origin of the Cascade Mountains to the east. Most of the Applegate Valley vineyards are planted on stream terraces or alluvial fans providing deep well-drained soils. According to the petitioner, the leaching of the more basic soil components found in the Illinois Valley have left the soil slightly more acidic than the soils in the proposed boundaries. The petitioner further states that the soils outside the proposed boundaries to the east near Bear Creek Valley tend to be less acidic than the soils in the proposed boundaries. The soils in the Applegate Valley have a pH between 6.1 and 6.5 which are more ideal. The petitioner claims that while soil origin is an important factor in determining differences

between the proposed "Applegate" and the larger Rogue Valley viticultural areas, its role is secondary to climate.

- Climate: The grape-growing region around Cave Junction located in the Illinois Valley is about 70 miles closer to the Pacific Ocean than the grape-growing region around Medford located in Bear Creek Valley. The Siskiyou Mountains separate the valleys which further accentuate climate differences among the valleys. The precipitation in the Illinois Valley at Cave Junction is 58.9 inches per year. The precipitation decreases to 31.1 inches, at Grants Pass, in the northeast and to 25.2 inches at Applegate. In the Bear Creek Valley at Medford, the precipitation decreases further to 18.3 inches per year.

According to the petitioner, the average temperature in the Illinois Valley during the growing season (April to October) is 2.5 degrees lower than in the eastern valleys. The petitioner states that, cumulatively this means that the degree-days rise from 4971 degree-days in Cave Junction to 5602 degree-days in Grants Pass. This temperature data is from a soil survey for Jackson and Josephine Counties and does not compare with Winkler's values since it is based on temperature of 40 degrees Fahrenheit instead of 50 degrees Fahrenheit.

According to the Oregon Winegrape Grower's Guide, "As one moves from west to east, or from the Illinois River Valley including Selma to the Applegate Valley and into the Rogue Valley, good grape growing sites generally become warmer due to the lessening of the marine air influence." The Oregon Winegrape Grower's Guide goes on to point out that earlier ripening varieties such as Pinot noir, Early Muscat, and Gewurztraminer, do well in the Illinois Valley. In contrast, the Applegate Valley with its Region II temperature range can ripen Cabernet Sauvignon, Merlot, and Chardonnay two to three weeks earlier than is possible in the Illinois Valley.

3. Public Participation

Who May Comment on This Notice?

ATF requests comments from all interested persons. In addition, ATF specifically requests comments on the clarity of this proposed rule and how it may be made easier to understand. Comments received on or before the closing date will be carefully considered. Comments received after that date will be given the same consideration if it is practical to do so.

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However, assurance of consideration can only be given to comments received on or before the closing date.

Will ATF Keep My Comments Confidential?

ATF cannot recognize any material in comments as confidential. All comments and materials may be disclosed to the public. If you consider your material to be confidential or inappropriate for disclosure to the public, you should not include it in the comments. We may also disclose the name of any person who submits a comment.

How do I Send Facsimile Comments?

You may submit comments of not more than three pages by facsimile transmission to (202) 927-8525. Facsimile comments must:

- Be legible.
- Reference this notice number.

- Be 8\1/2\" x 11" in size.
- Contain a legible written signature.
- Be not more than three pages.

We will not acknowledge receipt of facsimile transmissions. We will treat facsimile transmissions as originals.

How Do I Send Electronic Mail (E-mail) Comments?

You may submit comments by e-mail by sending the comments to nprm.notice874@atf.gov. You must follow these instructions.

E-mail comments must:

- Contain your name, mailing address, and e-mail address.
- Reference this notice number.
- Be legible when printed on not more than three pages 8\1/2\" x 11" in size.

We will not acknowledge receipt of e-mail. We will treat e-mail as originals.

How do I Send Comments to the ATF Internet Web Site?

You may also submit comments using the comment form provided with the online copy of the proposed rule on the ATF Internet web site at <http://www.atf.treas.gov./core/regulations/rules.htm>.

Can I Request a Public Hearing?

If you desire the opportunity to comment orally at a public hearing on this proposed regulation, you must submit your request in writing to the Director within the 60-day comment period. The Director reserves the right to determine, in light of all circumstances, whether a public hearing will be held.

4. Regulatory Analyses and Notices

Does the Paperwork Reduction Act Apply to This Proposed Rule?

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

How Does the Regulatory Flexibility Act Apply to This Proposed Rule?

These proposed regulations will not have a significant economic 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 area.

No new requirements are proposed. Accordingly, a regulatory flexibility analysis is not required.

Is This a Significant Regulatory Action as Defined by Executive Order 12866?

It has been determined that this proposed regulation is not a significant regulatory action as defined by Executive Order 12866. Therefore, a regulatory assessment is not required.

5. Drafting Information

The principal author of this document is Jackie White, Coordinator, Bureau of Alcohol, Tobacco, and Firearms.

List of Subjects in 27 CFR Part 9

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

Authority and Issuance

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

PART 9--AMERICAN VITICULTURAL AREAS

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

Authority: 27 U.S.C. 205

Subpart C--Approved American Viticultural Areas

Par. 2. Subpart C is amended by adding Sec. 9.165 to read as follows:

* * * * *

Sec. 9.165 Applegate Valley.

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

(b) Approved Maps. The appropriate map for determining the boundaries of the Applegate Valley viticultural area is one U.S.G.S. map titled "Medford, Oregon; California" NK 10-5 scale 1:250,000 (1955, revised 1976).

(c) Boundaries. The Applegate Valley viticultural area is located within the State of Oregon within Jackson and Josephine Counties, and entirely within the existing Rogue Valley viticultural area. The boundaries are as follows:

(1) Beginning at the confluence of the Applegate River with the Rogue River approximately 5 miles west of Grants Pass, the boundary proceeds due west to the boundary of the Siskiyou National Forest north of Dutcher Creek;

(2) Then southerly and westerly along the boundary of the Siskiyou National Forest to Highway 199;

(3) Then easterly to the peak of Roundtop Mountain (4663 feet);

(4) Then easterly and southerly to the peak of Mungers Butte;

(5) Then southerly and westerly to Holcomb Peak;

(6) Then in a generally southeasterly direction along the eastern boundary of the Siskiyou National Forest until it joins the northern boundary of the Rogue River National Forest;

(7) Then easterly along the northern boundary of the Rogue River National forest to a point due south of the peak of Bald Mountain;

(8) Then due north to the peak of Bald Mountain (5635 feet);

(9) Then northerly and westerly to the lookout tower on Anderson Butte;

(10) Then northerly and westerly to the peak of an unnamed mountain with an elevation of 3181 feet;

(11) Then northerly and westerly to the peak of Timber Mountain;

(12) Then westerly and southerly to the middle peak of Billy Mountain;

(13) Then northerly and westerly through a series of five unnamed peaks with elevations of approximately 3600, 4000, 3800, 3400, and 3800 feet, respectively;

(14) Then northerly and easterly to Grants Pass Peak;

(15) Then westerly to Jerome Prairie;

(16) Then northwesterly to the confluence of the Applegate River and the Rogue River and the point of the beginning.

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Signed: April 29, 1999.

John W. Magaw,
Director.

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