

prescribed by the Secretary, the terms and conditions upon which the mortgage will be insured.

(b) Except as set forth in § 200.164(f), commitments are not issued by HUD under the single family Program of Direct Endorsement. Under this Program the Department reviews the executed loan documents in accordance with the procedure set forth in § 200.163, and if the documents are acceptable the loan is endorsed.

11. Part 203 would be amended by revising § 203.255 to read as follows:

§ 203.255 Insurance of mortgage.

(a) Upon compliance with a commitment, the Secretary will insure the loan and will provide evidence of the insurance by the issuance of a Mortgage Insurance Certificate.

(b) For applications involving mortgages originated under the single family Direct Endorsement Program, if the mortgagee submits to the Secretary within 30 days after the date of closing of the loan, or such additional time as permitted by the Secretary, the documentation required by § 200.163, and certifies that the principal amount of the loan has been disbursed to the mortgagor or for the mortgagors account the Secretary will insure the loan and evidence the insurance by the issuance of a Mortgage Insurance Certificate. After this endorsement the mortgagee is entitled to the benefits of insurance subject to compliance with the regulations which are, in effect, a part of the insurance contract.

PART 233—[AMENDED]

12. Section 233.5 would be amended by adding a new paragraph (a)(6) to read as follows:

§ 233.5 Cross-reference.

(a) * * *

(6) Mortgages and loans processed under the Direct Endorsement Program set forth in § 200.163 shall not be eligible under this part.

PART 234—[AMENDED]

13. Part 234 would be amended by revising § 234.12 to read as follows:

§ 234.12 Approval and commitment.

(a) Upon approval of an application, acceptance of the mortgage for insurance may be evidenced by the issuance of a commitment setting forth, upon a form prescribed by the Secretary, the terms and conditions upon which the mortgage will be insured.

(b) Except as set forth in § 200.164(f), commitments are not issued by HUD under the single family Program of Direct Endorsement. Under this Program

the Department reviews the executed loan documents in accordance with the procedure set forth in § 200.163, if the documents are acceptable the loan is endorsed.

PART 237—[AMENDED]

14. Part 237 is amended by revising § 237.5 to read as follows:

§ 237.5 Cross-reference.

To be eligible for insurance under this subpart, a mortgage shall meet all of the eligibility requirements for insurance under §§ 203.1 *et seq.* (Part 203, Subpart A) of this chapter; §§ 220.1 *et seq.* (Part 220, Subpart A) of this chapter; §§ 221.1 *et seq.* (Part 221, Subpart A) of this chapter; or §§ 234.1 *et seq.* (Part 234, Subpart A) of this chapter, except that the mortgage shall comply with the special requirements of this subpart. Mortgages and loans processed under the Direct Endorsement Program set forth in § 200.163 shall not be eligible under this part.

(Sec. 211, National Housing Act (12 U.S.C., 1715(b)); Sec. 7(d), Department of HUD Act (42 U.S.C., 3535(d))

Dated: September 22, 1982.

Philip Abrams,
General Deputy, Assistant Secretary for Housing, Deputy Federal Housing Commissioner.

[FR Doc. 82-32280 Filed 11-23-82; 8:45 am]

BILLING CODE 4210-27-M

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9.

[Notice No. 435]

Santa Ynez Valley Viticultural Area

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

ACTION: Notice of proposed rulemaking.

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms is considering the establishment of an American viticultural area in California known as "Santa Ynez Valley." This proposal is the result of a petition from the Firestone Vineyard, a bounded winery in Los Olivos, California. The establishment of viticultural areas and the use of viticultural area names in wine labeling and advertising will allow wineries to better designate the specific grape-growing area where their wines come from, and will enable consumers to better identify the wine they purchase.

DATE: Written comments must be received by January 10, 1983.

ADDRESS: Send written comments to: Chief, Regulations and Procedures Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 385, Washington, DC 20044-0385, Attention: Notice No. 435.

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, Room 4405, Federal Building, 12th and Pennsylvania Avenue NW., Washington, D.C.

FOR FURTHER INFORMATION CONTACT: Charles N. Bacon, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226, Telephone: 202-566-7626.

SUPPLEMENTARY INFORMATION:

Background

ATF regulations in 27 CFR Part 4 allow the establishment of definite viticultural areas. These regulations also allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine-advertisements. Section 9.11, Title 27, CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographical features. Section 4.25a(e)(2) outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area. The petition should include:

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

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

(c) Evidence relating to the geographic 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 are 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. maps with the boundaries prominently marked.

Petition

ATF has received a petition to establish a viticultural area located

within Santa Barbara County, California, to be known as "Santa Ynez Valley." The proposed area is a valley centered around the Santa Ynez River. The total area comprising the Santa Ynez Valley viticultural area is 285 square miles. The petitioner, the Firestone Vineyard, is a bonded winery and vineyard located in Los Olivos within the proposed area. The petition is based on the following information:

(a) The name "Santa Ynez" was given to the mission established in 1804 by the first European settlers in the valley. This mission was dedicated to Saint Agnes, and Santa Ynez was the name applied to the town, river, and valley. The Santa Ynez Valley is well known today as a tourist center featuring Danish architecture and cuisine in the town of Solvang.

(b) Grape-growing and winemaking were extensive in Santa Barbara County prior to Prohibition. The Santa Ynez Valley itself contained over 5,000 acres of vineyards. However, Prohibition ended the industry in the valley, and vineyards were not replanted after Repeal.

In 1969, the first commercial vineyards since Prohibition were planted in the valley just east of Solvang. Additional acreage was planted during the next decade, especially 1972-1973, by winemakers attracted to the climate of the valley, and its remoteness from urban encroachment. Today there are over 20 vineyards encompassing 1,200 acres within the proposed viticultural area and 8 wineries have been bonded. Grape varieties grown include Cabernet Sauvignon, Riesling, Chardonnay, Merlot, Sauvignon Blanc, Gewurztraminer, and Pinot Noir. Commercial production of Santa Ynez Valley wines began in the mid 1970's, and the Santa Ynez Valley, California appellation currently appears on many labels of wines from the region.

(c) Topography and geography distinguish the Santa Ynez Valley viticultural area from surrounding areas. The valley itself surrounds the Santa Ynez River and is defined by mountains to the north and south, by Lake Cachuma and the Los Padres National Forest to the east, and by a series of low hills to the west. The Purisima Hills to the north rise from 1,200 to 1,700 feet in elevation, and separate the Santa Ynez Valley from the Los Alamos Valley. The San Rafael Mountains, also to the north, separate the valley from the Santa Maria Valley, previously approved as an American viticultural area. These mountains generally range in elevation from 1,400 to 2,600 feet, with the highest peak being 4,528 feet.

To the south, the Santa Ynez Mountains range in elevation from 800 to 2,500 feet. These mountains separate the Santa Ynez Valley from the Pacific Ocean.

To the west, the Santa Ynez Valley narrows, and the Santa Rita Hills separate the valley from the Lompoc Valley.

Within the Santa Ynez Valley, the Santa Ynez River flows west, descending in elevation from 750 feet at Lake Cachuma to approximately 125 feet in elevation at the extreme western end. Vineyards within the valley range in elevation from 200 to 400 feet for those planted in proximity to the Santa Ynez River, to 1,300-1,500 feet in elevation for vineyards planted in the foothills of the San Rafael Mountains. Vineyards around Los Olivos range between 650 feet and 900 feet in elevation, those around Santa Ynez are between 500 and 600 feet in elevation, while vineyards planted near Buelton range from 300 to 600 feet in elevation.

(d) The natural boundaries and the position of the Santa Ynez Valley in proximity to the Pacific Ocean give the valley a moderate and stable climate providing ideal wine grape-growing conditions.

The Santa Ynez Valley is a cool region II on the scale developed by Winkler and Amerine of the University of California. Solvang in the center of the valley registers an average of 2,680 degree days. This contrasts with 1,970 degree days (region I) in nearby Lompoc, and with 2,820 degree days for Santa Barbara, south of the Santa Ynez Mountains. Within the Santa Ynez Valley, summertime temperatures increase from west to east upstream along the Santa Ynez River.

The western boundary of the viticultural area is created by the Santa Rita Hills. These hills block the colder ocean air, prevalent at Lompoc, from entering the Santa Ynez Valley.

To the east, the boundary of the viticultural area is drawn along recognizable map features which approximately delineate the cooler temperatures of the Santa Ynez Valley from warmer temperatures further inland. The northern boundary of the viticultural area is formed by the Purisima Hills and San Rafael Mountains, while the Santa Ynez Mountains constitute the southern boundary.

Rainfall averages 16 inches within the Santa Ynez Valley although it is variable from year to year. Fog also plays an important factor in the climate of the proposed viticultural area by keeping the valley cool and moist during

the growing season. Fog is present to elevations of 1,000 to 1,200 feet in the valley and nearly all vineyards are influenced by it.

(e) Northern Santa Barbara County contains 14 major soil associations, but the Santa Ynez Valley contains only 7 major associations. Vineyard plantings are confined almost entirely to 3 of these soil associations.

The Positas-Ballard-Santa Ynez association consists of well-drained fine sandy loams to clay loams. These soils occur on level to moderately steep slopes in the upper Santa Ynez Valley at elevations of 500 to 1,000 feet.

Another association, the Chamise-Arnold, Crow Hill association, consists of well-drained to excessively well-drained sand loams and clay loams. These soils are found on gentle to very steep slopes on high terraces and uplands. Elevations range from 200 to 1,500 feet.

The Shedd-Santa Lucia-Diablo association consists of steep, well-drained shaly clay loams and silty clay loams. These soils occur on uplands from 200 to 3,000 feet in elevation.

A few vineyards are planted in the Sorrento-Mocho-Camarillo soil association. These soils are nearly level and consist of well-drained to somewhat poorly-drained sandy loams and silty loams. They are found on the flood plains and alluvial fans along the Santa Ynez River.

(f) The boundaries of the proposed viticultural area consist of many land grant and section boundaries. In many cases, these boundaries closely approximate ridgelines, but have been used because they are more easily described on U.S.G.S. maps. The boundaries are fully described in the proposed regulation.

ATF notes that the proposed viticultural area comprises approximately 285 square miles, but includes only 1,200 acres of vineyards. Since a viticultural area is defined as a delimited grape-growing region, ATF solicits comments on ways in which the proposed area could be reduced in size.

Public Participation

ATF requests comments from all interested persons concerning the proposed viticultural area. All comments received before the closing date will be carefully considered. Comments received after the closing date and too late for consideration will be treated as possible suggestions for future ATF action.

ATF will not recognize any material in comments as confidential. Comments may be disclosed to the public. Any

material which the respondent considers to be confidential or inappropriate for disclosure to the public should not be included in the comments. The name of any person submitting comments is not exempt from disclosure.

Any interested person who desires an opportunity to comment orally at a public hearing on this proposed viticultural area should submit his or her request, in writing, to the Acting Director within the 45-day comment period. The Acting Director reserves the right to determine whether a public hearing should be held.

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 proposal because this proposed rule, if issued as a final rule, will not have a significant economic impact on a substantial number of small entities. This rule, if adopted, will allow the petitioner and other persons to use an appellation of origin, "Santa Ynez Valley," on wine labels and in wine advertising. ATF has determined that this rule neither imposes new requirements on the public nor removes existing privileges available to the public. Adoption of this proposed rule will not result in any economic or administrative costs to the public, but will grant to the petitioner or other persons an intangible economic benefit. This proposal is not expected to have significant secondary or incidental effects on a substantial number of small entities, or impose, or otherwise cause, a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities.

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

Compliance with Executive Order 12291

It has been determined that this proposed rule is not a "major rule" within the meaning of Executive Order 12291 of February 17, 1981, because it will not have an annual effect on the economy of \$100 million or more; it will not result in a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United

States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

List of Subjects in 27 CFR Part 9

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

Drafting Information

The principal author of this document is Charles N. Bacon, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms.

Authority and Issuance

Accordingly, under the authority contained in 27 U.S.C. 205, the Director proposes the amendment of 27 CFR Part 9 as follows:

PART 9—AMERICAN VITICULTURAL AREAS

Paragraph 1. The table of sections in 27 CFR Part 9 is amended by adding § 9.54. As amended, the table of sections reads as follows:

* * * * *

Subpart C—Approved American Viticultural Areas

* * * * *

Sec.

9.54 Santa Ynez Valley.

* * * * *

Par. 2. Subpart C is amended by adding § 9.54. As added, § 9.54 reads as follows:

§ 9.54 Santa Ynez Valley.

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

(b) *Approved maps.* The appropriate maps for determining the boundaries of the Santa Ynez Valley viticultural area are 12 U.S.G.S. quadrangle maps. They are entitled:

(1) "Figueroa Mountain, Cal.," 7.5 minute series, edition of 1959;

(2) "Foxen Canyon, Cal.," 7.5 minute series, edition of 1964;

(3) "Lake Cachuma, Cal.," 7.5 minute series, edition of 1959;

(4) "Lompoc, Cal.," 7.5 minute series, edition of 1959 (photorevised 1974);

(5) "Lompoc Hills, Cal.," 7.5 minute series, edition of 1959;

(6) "Los Alamos, Cal.," 7.5 minute series, edition of 1959;

(7) "Los Olivos, Cal.," 7.5 minute series, edition of 1959 (photoinspected 1974);

(8) "Santa Rosa Hills, Cal.," 7.5 minute series, edition of 1959;

(9) "Santa Ynez, Cal.," 7.5 minute series, edition of 1959 (photorevised 1974);

(10) "Solvang, Cal.," 7.5 minute series, edition of 1959 (photorevised 1974);

(11) "Zaca Creek, Cal.," 7.5 minute series, edition of 1959; and

(12) "Zaca Lake, Cal.," 7.5 minute series, edition of 1964;

(6) *Boundaries.* The Santa Ynez Valley viticultural area is located within Santa Barbara County, California. The beginning point is found on the "Los Alamos, California" U.S.G.S. map where California Highway 246 (indicated as Highway 150 on the Los Alamos map) intersects with the 120°22'30" longitude line.

(1) Then north following the 120°22'30" longitude line to Cebada Canyon Road.

(2) Then northeast following Cebada Canyon Road and an unnamed jeep trail to the northern boundary of Section 9, T. 7 N., R. 33 W.

(3) Then east following the northern boundaries of Sections 9, 10, 11, 12, 7, and 8 to the northeast corner of Section 8, T. 7 N., R. 33 W.

(4) Then south following the eastern boundaries of Sections 8 and 17 to the intersection with the boundary dividing the La Laguna and San Carlos de Jonata Land Grants.

(5) Then east following the boundary between the La Laguna and the San Carlos de Jonata Land Grants to the intersection with Canada de Santa Ynez.

(6) Then northeast in a straight line for approximately 3.6 miles to Benchmark 947 at U.S. Highway 101.

(7) Then northeast in a straight line for approximately 2.6 miles to the southwest corner of the La Zaca Land Grant.

(8) Then following the boundary of the La Zaca Land Grant north, then east to its northeast corner.

(9) Then east in a straight line for approximately 2.0 miles to the point of intersection of the La Laguna and Sisquoc Land Grants with the Los Padres National Forest.

(10) Then following the boundary of the Los Padres National Forest south, east, and south until it intersects with the eastern boundary of Section 29, T. 7 N., R. 29 W.

(11) Then south following the eastern boundaries of Sections 29, 32, 5, 8, and 17 to the boundary of the Cachuma Recreation Area at Bitt Benchmark 1074.

(12) Then following the boundary of the Cachuma Recreation Area west and south to the point of intersection with the Los Padres National Forest.

(13) Then south and west following the boundary of the Los Padres National Forest to its intersection with the Las Cruces Land Grant at the southwest corner of Section 12, T. 5 N., R. 32 W.

(14) Then north following the boundary of the Las Cruces Land Grant to the southeast corner of Section 26, T. 6 N., R. 32 W.

(15) Then west following the southern boundaries of Sections 26, 27, 28, and 29 to the intersection with the northern boundary of the San Julian Land Grant at the southwestern corner of Section 29, T. 6 N., R. 32 W.

(16) Then northwest following the boundary of the San Julian Land Grant to its intersection with the 120°22'30" longitude line.

(17) Then northwest in a straight line for approximately 3.2 miles to the point where Santa Rosa Road intersects Salsipuedes Creek.

(18) Then following Salsipuedes Creek downstream to the point of confluence with the Santa Ynez River.

(19) Then northeast in a straight line for approximately 1.4 miles to an unnamed hill, elevation 597 feet.

(20) Then northeast in a straight line for approximately 1.7 miles to the point of beginning.

Signed: October 14, 1982.

Stephen E. Higgins,
Acting Director.

Approved: November 10, 1982.

David Q. Bates,
Deputy Assistant Secretary (Operations).

[FR Doc. 82-32172 Filed 11-23-82; 8:45 am]

BILLING CODE 4810-31-M

27 CFR Part 9

[Notice No. 436]

Yakima Valley Viticultural Area

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

ACTION: Notice of proposed rulemaking.

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms is considering the establishment of an American viticultural area in the State of Washington known as "Yakima Valley." This proposal is the result of a petition from the Yakima Valley Appellation Committee, an association of Yakima Valley grapegrowers and Washington State wineries. The establishment of the Yakima Valley viticultural area will allow wineries to designate the specific grape-growing area where their wines originate, and will better enable consumers to identify the wines they purchase.

DATE: Written comments must be received by January 10, 1983.

ADDRESS: Send written comments to: Chief, Regulations and Procedures Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 385, Washington,

DC 20044-0385. Attention: Notice No. 436.

Copies of the petition, the proposed regulation, the appropriate maps, and written comments will be available for public inspection during normal business hours at the ATF Reading Room, Room 4405, Federal Building, 12th and Pennsylvania Avenue, NW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Charles N. Bacon, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226. Telephone: 202-566-7626.

SUPPLEMENTARY INFORMATION:

Background

Title 27, CFR, Part 4 provides for the establishment of definite viticultural areas. These regulations also provide for the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements. Sections 9.11 and 4.25a(e)(1), of Title 27, CFR, define an American viticultural area as a delimited grape-growing region distinguishable by geographical features. Section 4.25a(e)(2) outlines the procedures 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 of the appropriate U.S.G.S. maps with the boundaries prominently marked.

Petition

ATF has been petitioned by the Yakima Valley Appellation Committee to establish the first viticultural area in the State of Washington. The proposed area, located in south central Washington, is a valley centered around the Yakima River, containing approximately 1040 square miles. The Yakima Valley is nearly 75 miles long and is 22 miles wide at its widest point.

The Yakima Valley Appellation Committee is an association formed of Yakima Valley grapegrowers and Yakima Valley and Washington State wineries. Their petition is based on the following evidence.

Name. The name Yakima Valley is well established. Yakima is the name of the Yakima Nation, a loose confederacy of Indian tribes which once controlled a vast portion of eastern Washington. This name was given to the city, valley and river. Yakima Valley is also the name on U.S.G.S. maps designating the valley surrounding the Yakima River.

Although Yakima Valley has only recently become recognized as a wine producing region, it has been known as an important agricultural region since the early 1900's when river water was first used to irrigate the valley. Yakima Valley has achieved special fame for apples, soft fruits and hops. The petitioner submitted numerous newspaper articles and other literature which use the term Yakima Valley to describe the proposed area, especially as a grape-growing region.

History of viticulture. Island Belle grapes were first introduced into the Yakima Valley after irrigation began in 1906. Later, Concord grapes became the dominant grape throughout Washington State. Concord grapes were not, however, made into wine but were processed at grape juice plants including plants at Grandview and Prosser in the Yakima Valley, and at Yakima.

After repeal of Prohibition, William Bridgman, a Sunnyside farmer and grapegrower, studies the Yakima Valley and found it better suited for wine growing than central France. He imported Vinifera grapes and established a winery and vineyard at Sunnyside which included such varieties as Johannisberg Riesling and Cabernet. By 1937 Washington State could count 42 wineries, the largest of which was in the Yakima Valley. Nevertheless, Concord grapes continued to dominate in Yakima Valley, and few local wines of distinction were produced. Many grapes were shipped out of state for processing, and Washington State wineries did not concentrate on producing premium varietal wines.

In the 1950's, Dr. Lloyd Woodburne, a professor at the University of Washington in Seattle, began to produce home wines made from Washington State grapes. Other members of the University faculty joined him and in 1961 they incorporated and planted five acres of Pinot Noir and other Vinifera grapes at Sunnyside adjacent to Bridgman's vineyard. Their group eventually became Associated