

ATTENDANCE ROSTER

United Vintners, Inc CONNOISSIZURS GUIDE United Ventress The Sum Valley Vinton Asoc HEUBLEIN FAC BEAULIEU VINEYARD 27200 Remel DI Snow Wine Institute Napa Register Newspap Gundlach: Rundsch



ATTENDANCE ROSTER

ORGANIZATION REPRESENTED

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IN THE MATTER OF

VITICULTURAL AREA

HEARING FOR LOS CARNEROS

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THE ABOVE-ENTITLED MATTER CAME ON REGULARLY FOR HEARING BEFORE THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, AT THE FEDERAL BUILDING, ROOM 113C, 777 SONOMA AVENUE, IN THE CITY OF SANTA ROSA, COUNTY OF SONOMA, STATE OF CALIFORNIA, ON WEDNESDAY, THE 14TH DAY OF JANUARY, 1981, COMMENCING AT THE HOUR OF 9:30 A.M. THEREOF, BEFORE THE HONORABLE WILLIAM T. DRAKE, PRESIDING.

TRANSCRIPT OF PROCEEDINGS

REPORTED BY: SUSAN T. STANDISH, CSR No. 4473

INDEX WITNESSES: PAGE VICTOR GALLICCHIO WILLIAM F. HEINTZ DIMITRI TCHELISTCHEFF VICTOR GALLICCHIO JAMES CARTER VICTOR GALLICCHIO WILMER NORD JOHN MERRITT CRAWFORD COOLEY DALE RICCI RENE LACASIA RUSSELL EICHNER BOB DWYER FRANCIS MAHONEY IRA LEE BOB TRINCHERO VICTOR GALLICCHIO **EXHIBITS**: 1970 VINTAGE BEAULIEU LABEL 1976 VINTAGE BEAULIEU LABEL JOHN WRIGHT'S NAPA VALLEY TESTIMONY

1	MEMBERS OF THE PANEL
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4	WILLIAM T. DRAKE, CHAIRMAN
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6	JOSEPH DEVINEY
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8	THOMAS GEORGE
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10	ALAN GRAHAM
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12	IMELDA KIRK
13	TUOMA
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16	ALCO DDECENT
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	A Company of the Comp

WEDNESDAY, JANUARY 14, 1981

9:30 A.M.

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IS NOW CALLED TO ORDER.

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THE CHAIRMAN: GOOD MORNING, LADIES AND GENTLEMEN. THIS IS A HEARING TO RECEIVE TESTIMONY CONCERNING THE ESTABLISH-MENT OF A PROPOSED LOS CARNEROS VITICULTURAL AREA. THE HEARING

MY NAME IS BILL DRAKE. I AM THE ASSISTANT DIRECTOR, REGULATORY ENFORCEMENT FOR THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS.

THIS HEARING IS HELD PURSUANT TO SECTION 553 OF THE ADMINISTRATIVE PROCEDURES ACT AND SECTION 5 OF THE FEDERAL ALCOHOL ADMINISTRATION ACT. IT IS HELD FOR THE DUAL PURPOSES OF PERMITTING THOSE INTERESTED IN THIS VITICULTURAL AREA PROPOSAL TO PARTICIPATE IN THE RULE-MAKING PROCESS, AND TO MAKE SURE ALL INFORMATION RELEVANT TO THE ULTIMATE REGULATORY DECISION IS MADE AVAILABLE TO THE BUREAU.

BEFORE I OUTLINE THE PROCEDURES TO BE FOLLOWED IN THE CONDUCT OF THE HEARING, I WOULD LIKE TO EXPLAIN THE PROPOSED REGULATIONS. THE FEDERAL ALCOHOL ADMINISTRATION ACT, WHICH WILL BE REFERRED TO AS THE FAA ACT, PROVIDES FOR FEDERAL REGULATION OF ALCOHOLIC BEVERAGE LABELLING AND ADVERTISEMENT. SECTION 5E OF THE FAA ACT AUTHORIZES THE SECRETARY OF THE TREASURY TO REQUIRE CERTAIN STATEMENTS ON LABELS FOR WINES INCLUDING, AMONG OTHER REQUIREMENTS, STATEMENTS PROVIDING THE CONSUMER WITH ADEQUATE INFORMATION ABOUT THE IDENTITY OF THE PRODUCT.

UNDER THIS SECTION OF THE FAA ACT, THE BUREAU ISSUED REGULATIONS WHICH PROVIDE FOR A COMPREHENSIVE SCHEME FOR APPELLATION-OF-ORIGIN LABELLING. WE FEEL THAT APPELLATION-OF-

ORIGIN LABELLING INCLUDING THE USE OF AN APPROVED VITICULTURAL

AREA NAME WILL HELP THE CONSUMER BETTER IDENTIFY THE WINES HE OR

SHE MAY WISH TO PURCHASE.

UNDER THESE REGULATIONS, ANY INTERESTED PERSON MAY

PETITION THE BUREAU TO ESTABLISH A DELIMITED GRAPE-GROWING REGION

AS AN APPROVED VITICULTURAL AREA. THE PROPOSED AREA SHOULD BE

LOCALLY OR NATIONALLY KNOWN BY THE PROPOSED NAME, AND A SPECIFIC

BOUNDARY SHOULD BE SUPPORTED BY HISTORICAL OR CURRENT EVIDENCE.

FURTHER, THE PROPOSED AREA SHOULD POSSESS GEOGRAPHICAL

CHARACTERISTICS WHICH DISTINGUISH THE VITICULTURAL FEATURES OF THE

AREA FROM OTHER SURROUNDING AREAS.

AFTER JANUARY 1, 1983, ONLY THE NAMES OF COUNTRIES,
STATES, COUNTIES, OR APPROVED VITICULTURAL AREAS MAY BE USED AS
APPELLATIONS OF ORIGIN IN WINE LABELLING AND ADVERTISING. TO
THIS END, ATF WAS PETITIONED TO ESTABLISH A VITICULTURAL AREA IN
NAPA COUNTY TO BE NAMED LOS CARNEROS. COPIES OF THE PETITION ARE
AVAILABLE FOR INSPECTION AT THE REGISTRATION DESK, AND I WOULD
ASK THAT ANYONE WHO IS HERE REGISTER TODAY BEFORE THE DAY IS
OVER, PLEASE.

IN ORDER TO SOLICIT INPUT CONCERNING THE ESTABLISHMENT OF THIS PROPOSED AREA, WE ISSUED A NOTICE FOR PROPOSED RULE MAKING NO. 360 ON DECEMBER 15, 1980. THE SPECIFIC BOUNDARIES OF THE PROPOSED AREA ARE NOTED ON THE POSTED MAP AND NOTICE NO. 360, WHICH IS ALSO AVAILABLE AT THE REGISTRATION DESK. WRITTEN COMMENTS ON THE PROPOSED LOS CARNEROS VITICULTURAL AREA WILL BE ACCEPTED UNTIL FEBRUARY 13, 1981. ORDERS FOR COPIES OF ANY OR ALL DOCUMENTS WILL BE TAKEN AT THE REGISTRATION DESK FOR LATER SHIPMENT.

I WILL NOW INTRODUCE THE COURT REPORTER, WHO IS SUSAN STANDISH, EMPLOYED BY THE MAES COMPANY, M-A-E-S COMPANY, FROM WHOM COPIES OF THE HEARING TRANSCRIPT WILL BE AVAILABLE. THE ADDRESS OF THE MAES COMPANY IS 616 COLLEGE AVENUE, SANTA ROSA, CALIFORNIA 95404. FOR THE CONVENIENCE OF THE REPORTER, I ASK THAT YOU PROVIDE HER WITH A COPY OF YOUR TESTIMONY, IF AVAILABLE, BEFORE YOU BEGIN SPEAKING.

I ALSO WISH TO REMIND YOU THIS IS NOT AN ADVERSARY

PROCEEDING. WE ARE HERE TO GATHER INFORMATION AND OPINIONS FROM

ALL INTERESTED PERSONS. THEREFORE, CROSS-EXAMINATION OF THE

WITNESSES IS NOT APPROPRIATE. QUESTIONS FROM THE FLOOR MAY NOT BE

INTRODUCED DIRECTLY TO THE WITNESS. IF, HOWEVER, YOU FEEL THAT

THE RECORD WOULD BE MORE INFORMATIVE IF A WITNESS CLARIFIED HIS

OR HER TESTIMONY ON A CERTAIN POINT, YOU MAY SUBMIT A WRITTEN

QUESTION TO ME TO SUBMIT TO THE WITNESS IF I SEE FIT. THE PANEL

MEMBERS, OF COURSE, WILL BE FREE TO INQUIRE INTO ANY MATTER THEY

FEEL WILL BE USEFUL IN THE RULE-MAKING PROCESS.

NOW I WOULD LIKE TO INTRODUCE THE OTHER MEMBERS OF THE PANEL. TO MY FAR RIGHT IS ALAN GRAHAM, CHIEF OF OUR COMMODITY CLASSIFICATION BRANCH IN WASHINGTON, D.C. TO HIS LEFT IS TOM GEORGE, CHIEF OF OUR REGULATIONS AND PROCEDURES DIVISION, ALSO WASHINGTON, D.C. TO MY IMMEDIATE RIGHT IS JOE DEVINEY, REGIONAL REGULATORY ADMINISTRATOR FOR THE WESTERN REGION IN SAN FRANCISCO. TO MY IMMEDIATE LEFT IS TOM MINTON, PROJECT MANAGER FOR THIS OPERATION. AND TO HIS LEFT IS IMELDA KIRK FROM OUR CHIEF COUNSEL'S OFFICE.

WE HAVE PREPARED AN AGENDA OF SPEAKERS WHO WILL TESTIFY.

THE AGENDA FOR TODAY IS AS FOLLOWS: MR. VICTOR GALLICCHIO, MR.

WILLIAM F. HEINTZ, MR. DIMITRI TCHELISTCHEFF, MR. JAMES CARTER, MR. WILMER NORD, MR. JOHN MERRITT, MR. CRAWFORD COOLEY. MR. DALE RICCI. I WILL ALSO CALL UPON THE WITNESSES IN THAT ORDER.

IF ANYONE DESIRES TO SPEAK OUT OF ORDER BECAUSE OF TRAVEL ARRANGEMENTS, WE WILL ATTEMPT TO ACCOMMODATE THOSE PERSONS. ANY PERSON WHO DESIRES TO SPEAK OUT OF ORDER, PLEASE LET ME KNOW NOW.

A VOICE: MY NAME IS RENE LACASTA WITH BUENA VISTA VINEYARDS AND WINERY. I WOULD LIKE TO PARTICIPATE.

THE CHAIRMAN: HOW DO YOU SPELL YOUR LAST NAME?

A VOICE: L-A-C-A-S-I-A.

THE CHAIRMAN: IS THERE ANYONE ELSE WHO WOULD LIKE TO SPEAK AFTER THE LISTED AGENDA?

FOR THE CONVENIENCE OF THE COURT REPORTER, I ASK THAT EACH WITNESS, BEFORE HE TESTIFY, STATE HIS FULL NAME, WHO HE REPRESENTS, AND PLEASE SPELL THE LAST NAME. THANK YOU.

MR. GALLICCHIO.

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VICTOR GALLICCHIO,

ON BEHALF OF BEAULIEU VINEYARDS, TESTIFIED AS FOLLOWS:

MY NAME IS VICTOR GALLICCHIO. I AM THE DIRECTOR OF THE GOVERNMENT RELATIONS AND SPECIAL PROJECT OF HEUBLEIN, INCORPORATED. I WOULD LIKE TO THANK THE MEMBERS OF THIS PANEL FOR THE OPPORTUNITY OF PRESENTING THIS PETITION ON BEHALF OF BEAULIEU VINEYARDS.

BEAULIEU IS A WINERY WHOLLY OWNED BY HEUBLEIN, INCORPORATED. WE HAVE SUBMITTED THIS PETITION TO ESTABLISH A VITICULTURAL AREA FOR THE LOS CARNEROS AREA OF NAPA VALLEY. THE

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS HAS SET OUT FOUR BASIC REQUIREMENTS FOR THE ACCEPTANCE OF A VITICULTURAL AREA:

- 1. EVIDENCE THAT THE NAME LOS CARNEROS IS LOCALLY AND/OR NATIONALLY KNOWN.
- 2. EVIDENCE THAT THERE IS HISTORICAL AND CURRENT EVIDENCE TO SUPPORT THE BOUNDARIES AS PROPOSED.
- 3. EVIDENCE THAT THERE ARE CLIMATE, SOIL, AND OTHER PHYSICAL FEATURES WHICH DISTINGUISH THIS GRAPE-GROWING REGION AS BEING A SPECIFIC VITICULTURAL AREA WITHIN THE NAPA VALLEY.
- 4. WE HAVE SUBMITTED FOUR SEVEN-AND-A-HALF MINUTE

 SERIES USGA SURVEY MAPS WITH OUR PETITION. THE

 QUADRANGLES -- CUTTINGS WHARF, NAPA, SONOMA, AND

 SEARS POINT -- WERE REQUIRED TO OUTLINE THE PROPOSED

 BOUNDARIES.

THE LABELS ON THE BV WINES HAVE BEEN VERY INFORMATIVE
TO THE CONSUMER. IF A WINE BOTTLED BY BEAULIEU VINEYARD IS NOT
100 PER CENT OF THAT GRAPE TYPE, THEN EACH VARIETAL AND THE PER
CENT USED IS STATED ON THE LABELS. IT IS TO FURTHER OUR CONCERN
TO INFORM THE CONSUMER TO BE ABLE TO SELECT WINE ON THE BASIS OF
REGIONAL TASTE PREFERENCE THAT WE HAVE SUBMITTED THIS PETITION
FOR THE LOS CARNEROS REGION OF NAPA VALLEY.

IT HAS BEEN STATED AT THE HEARINGS HELD ON THE 28TH AND 29TH OF APRIL, 1980, FOR THE PETITION TO ESTABLISH BOUNDARIES FOR THE NAPA VALLEY VITICULTURAL AREA, THAT LOS CARNEROS GRAPES HAVE THE SAME COMMON CHARACTERISTICS AS OTHER GRAPES OF THE SAME VARIETAL GROWN IN OTHER PARTS OF NAPA VALLEY, ALTHOUGH EACH AREA OF THE NAPA VALLEY MAY HAVE OTHER DISTINCTIVE CHARACTERISTICS.

I WOULD LIKE, WITH THE PANEL'S PERMISSION, TO READ A

FEW TESTIMONIES FROM THAT HEARING AND REQUEST YOU TAKE NOTE OF

THE REFERENCE OF LOS CARNEROS AND ITS RELATIONSHIP TO NAPA VALLEY.

MR. MARTINI -- TESTIMONY FROM PAGE 39. QUOTE:

"MY NAME IS LOUIS MARTINI, PRESIDENT AND GENERAL MANAGER OF THE LOUIS MARTINI WINERY IN ST. HELENA. I WOULD LIKE TO TESTIFY BRIEFLY ON SOME OF WHAT I WOULD CONSIDER COMMON CHARACTERISTICS OF WINES GROWN WITHIN THE VALLEY.

"THE PROPOSED WATER SHED AREA OF NAPA COUNTY DOES
CONTRIBUTE AN UNDERLYING CHARACTER THAT IS COMMON TO
ALL WINES PRODUCED FROM GRAPES GROWN WITHIN THE AREA.
ALTHOUGH THERE ARE A NUMBER OF MICROCLIMATES AND SOIL
TYPES IN THE VALLEY, THERE IS A CHARACTERISTIC COMMON
THREAD THAT IS PERSISTENT AND IDENTIFIABLE. IT IS
DIFFICULT TO DESCRIBE AND IMPOSSIBLE TO QUANTIFY; AND
I SUSPECT, ESPECIALLY IN RED WINES, THAT THIS CHARACTER
MAY BE TIED TO THE TANNIN COMPLEX.

"WE OWN VINEYARDS AND PURCHASE GRAPES IN BOTH NAPA
AND SONOMA COUNTIES. IT IS OUR POLICY TO INITIALLY
KEEP EACH VINEYARD'S WINE SEPARATE. IT IS NO PROBLEM
TO DISTINGUISH WINES FROM OUR SONOMA VINEYARD, FROM OUR
HEALDSBURG VINEYARD, AND FROM THE ALEXANDER VALLEY
VINEYARDS THAT WE PURCHASE FROM OUR GRAPES FROM THE NAPA
VALLEY VINEYARDS. THE NAPA VALLEY WINES HAVE A COMMON
CHARACTERISTIC WHICH IS NOT PRESENT IN THE OTHER AREAS.
LIKEWISE, EACH OF THE OTHER AREAS HAVE THEIR OWN COMMON
DENOMINATOR.

"WITHIN THE NAPA VALLEY, WE RECEIVE GRAPES FROM ST.

HELENA; FROM GROWERS AROUND ST. HELENA; FROM THE CARNEROS

AREA, WHERE WE HAVE OUR OWN VINEYARDS; AND FROM CHILES

VALLEY, WHERE WE HAVE OUR OWN VINEYARD. WE FIND THE

SAME UNDERLYING CHARACTER FROM ALL OF THESE AREAS,

ALTHOUGH THERE ARE OTHER CHARACTERISTICS THAT VARY AMONG

THE AREAS.

"THEREFORE, I BELIEVE THAT THE WINES FROM THE NAPA
VALLEY ARE UNIQUE. THEY HAVE CERTAIN CHARACTERISTICS
THAT ARE RECOGNIZABLE AND COMMON TO ALL VARIETIES REGARDLESS OF WHERE WITHIN THE VALLEY THE GRAPES ARE GROWN."
UNQUOTE.

MR. MONDAVI -- TESTIMONY FROM PAGE 41 AND 42. QUOTE:
"I AM ROBERT MONDAVI, CHAIRMAN OF ROBERT MONDAVI WINERY.
I WOULD LIKE TO MAKE THE FOLLOWING STATEMENT IN REGARD
TO WINES HERE.

"SINCE 1937, I HAVE BEEN CRUSHING GRAPES IN THE NAPA
VALLEY. THESE GRAPES HAVE COME FROM THE VARIOUS AREAS OF
NAPA COUNTY, CARNEROS, YOUNTVILLE, OAKVILLE, ST. HELENA,
CALISTOGA, POPE VALLEY, CHILES VALLEY, WOODEN VALLEY,
AND GORDON VALLEY.

"ALTHOUGH THE WINES HAVE THEIR OWN CHARACTERISTICS FROM
EACH OF THESE AREAS, I HAVE FOUND THAT THERE WAS A COMMON
UNDERLYING THREAD WHICH RESULTED IN A WINE THAT WAS
DIFFERENT FROM THAT OF SONOMA COUNTY, MENDOCINO COUNTY,
MONTEREY COUNTY, AS WELL AS OTHER COUNTIES. THERE ARE A
VARIETY OF FACTORS THAT GIVE THIS THE OVERALL CHARACTERISTIC
OF A NAPA VALLEY WINE -- BOUQUET, TANNIN, BODY, AND

"TEXTURE. THERE IS A SIMILARITY OF STYLE WHICH IS UNIQUE
TO NAPA VALLEY.

"WELL, MAYBE I BETTER EXPLAIN IT THIS WAY. FRANKLY,
THE GRAPES FROM CALISTOGA, FROM ST. HELENA, FROM THEN
GOING DOWN TO CARNEROS, EACH HAVE THEIR OWN CHARACTERISTIC;
BUT THERE IS AN UNDERLYING CHARACTER DUE TO -- WHETHER IT
IS TANNIN, BODY, TYPICAL OF NAPA VALLEY."

UNQUOTE.

BROTHER TIMOTHY -- TESTIMONY FROM PAGE 43. I QUOTE:

"MY NAME IS BROTHER TIMOTHY. I AM A MEMBER OF THE

CHRISTIAN BROTHER ORDER AND SERVE AS VICE-PRESIDENT AND

CELLARMASTER AT OUR MONT LA SALLE VINEYARDS AT NAPA,

CALIFORNIA.

"I HEREBY DECLARE THAT THERE IS A COMMON THREAD OF CHARACTER IN NAPA VALLEY GRAPES AND THE WINE OF THOSE GRAPES THAT IS APPARENT TO A WELL-QUALIFIED WINE TASTER AND WHICH DISTINGUISHES THOSE GRAPES AND WINES FROM THE GRAPES AND WINES OF MOST OTHER AREAS.

"WE AT THE CHRISTIAN BROTHERS WINERY ARE ACTIVE
MEMBERS OF NAPA VALLEY VINTNERS AND SUPPORT THE POSITION
EXPRESSED BY ALL NAPA VALLEY VINTNERS' REPRESENTATIVES
DURING THIS HEARING; NAMELY, THAT THE NAPA VALLEY IS THE
WATER SHED AREA OF THE NAPA RIVER."

UNQUOTE.

MRS. NIEMI FOR MR. JAEGER -- TESTIMONY FROM PAGE 44 AND 45. I QUOTE:

"I AM HELEN NIEMI, AND I AM GOING TO PRESENT TO YOU A
STATEMENT PREPARED BY BILL JAEGER, PARTNER IN FREEMARK

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"ABBEY AND RUTHERFORD HILL WINERIES. THESE ARE BILL'S WORDS: 'THE NAPA VALLEY, AS A WINE REGION, HAS WORLD-WIDE SIGNIFICANCE THAT DATES BACK MORE THAN 100 YEARS. IF BATF FAILS TO RECOGNIZE THE UNIVERSAL NOTORIETY THAT NAPA VALLEY WINES HAVE ACHIEVED DURING THAT TIME, OUR GOVERNMENT WILL BE BROUGHT UNDER WORLD-WIDE RIDICULE; AND THE FULL BRUNT OF THAT FIASCO WILL FALL UPON THE BUREAU.

"'I DO NOT OPPOSE THE CREATION OF APPELLATION REGIONS SUCH AS OAKVILLE OR CARNEROS, WHICH ARE PARTS OF THE NAPA VALLEY.'"

UNQUOTE.

I DO NOT INTEND TO REPEAT BY READING ALL THE TESTIMONY GIVEN AT THE NAPA VALLEY HEARING; HOWEVER, I DO REQUEST THAT ALL TESTIMONY GIVEN AT THE NAPA VALLEY HEARING, WHERE IT CONCERNS THE LOS CARNEROS REGION, BE ENTERED AS EVIDENCE IN THIS, THE LOS CARNEROS HEARING.

BEAULIEU PLANTED WINE GRAPES IN THE CARNEROS REGION IN 1963. THE FIRST TIME THEY BOTTLED WINE MADE EXCLUSIVELY FROM THESE GRAPES WAS THE 1970 VINTAGE. I SUBMIT A COPY OF FEDERAL LABEL APPROVAL APPROVED NOVEMBER 22, 1974. ON THIS LABEL, IT SAYS!: "BEAULIEU VINEYARD, NAPA VALLEY, PINOT NOIR, VINTAGE 1970. GROWN EXCLUSIVELY IN THE CARNEROS SECTION OF THE NAPA VALLEY, GROWING SEASON OF EXTREME COLDNESS. HARVESTED WITH DELAY IN THE MIDDLE OF OCTOBER. THE MUST HAD AVERAGE SUGAR OF 22.5 BALLING. WINE IS PERFUMED, LIGHT, ELEGANT, OF VERY PROMISING FUTURE. ANDRE TCHELISTCHEFF, JANUARY 30, 1972."

IF I MAY TAKE A PEEK AT THIS ONE.

THE CHAIRMAN: THIS WILL BE EXHIBIT 1.

MR. GALLICCHIO: IT WILL BE PART OF MY WHOLE TESTIMONY OF EXHIBIT 1.

FOR THE VINTAGE OF 1976, WE CHANGED OUR LABEL. THIS LABEL WAS APPROVED THE 16TH OF MAY, 1979. THIS LABEL IS STILL BEING USED TODAY. BECAUSE THE XEROX WOULD NOT GIVE COLOR, I HAVE ATTACHED A PRESENT LABEL, TOO.

THE CHAIRMAN: EXHIBIT 2.

MR. GALLICCHIO: AS YOU WILL NOTE, THE BACK LABEL ON THIS PRESENT LABEL SAYS: "BEAULIEU VINEYARD, LOS CARNEROS REGION, NAPA VALLEY, PINOT NOIR. THE CARNEROS REGION IS AT THE SOUTHERN END OF THE NAPA VALLEY AND BORDERS ON SAN FRANCISCO BAY. THE FOG BANKS THAT COOL SAN FRANCISCO ALSO COOL THIS AREA IN THE SUMMER SO THAT THE CLIMATE IS SIMILAR TO THE BURGUNDY REGION IN FRANCE. BEAULIEU PIONEERED THIS AREA AND PLANTED IT IN PINOT NOIR AND CHARDONNAY IN 1963. THE COOL CLIMATE IS PERFECT FOR THESE EARLY-RIPENING BURGUNDIAN VARIETIES. THE FRUIT RIPENS VERY SLOWLY AND EVENLY, THUS PRESERVING THE GRAPE ACIDS AND THE ELUSIVE FLAVOR COMPOUNDS. THE COLOR OF THE WINE IS A DARK RUBY, WHICH IS UNUSUAL FOR PINOT NOIR, AND THE VARIETAL CHARACTER IS INTENSELY SPICY. WE FEEL WE HAVE CAPTURED THE ESSENCE OF THIS CAPRICIOUS VARIETY."

WITH THE PANEL'S PERMISSION, IF I MAY, I HAVE BROUGHT OUR WINE, THE PINOT NOIR GROWN AROUND RUTHERFORD, AND ONE GROWN AROUND LOS CARNEROS. THIS WAS DONE HASTILY LAST NIGHT BECAUSE OF THE QUESTION -- I HAVE NEVER MET HER, SO I DO NOT RECALL HER NAME.

THE CHAIRMAN: MRS. KIRK.

MR. GALLICCHIO: SHE ASKED COULD YOU DISTINGUISH BETWEEN THE GRAPES?

YES, YOU CAN; HOWEVER, ONLY THROUGH TESTING, THROUGH ANALYTICAL TYPES. IN THE WINE, YOU CAN SEE IT MUCH MORE CLEARLY.

IF I HAVE THE PERMISSION, I WILL OPEN THESE BOTTLES,
I WILL POUR THEM IN A GLASS. I HAVE ENOUGH GLASSES IF YOU WANT
TO TASTE THE DIFFERENCE; BUT, IF YOU DO NOT, I WILL HOLD IT UP,
AND YOU CAN SEE THE DIFFERENCE. THIS ONE IS DARKER, MORE FULLBODIED IN COLOR. IT ALSO HAS A LITTLE BIT OF SEDIMENT, SO I WILL
BE CAREFUL WITH SHAKING IT AROUND.

THIS ONE FROM RUTHERFORD IS A LOT LIGHTER.

I FORGOT THE CORKSCREW.

THE CHAIRMAN: I ASSUME YOU BROUGHT SOME CHEESE AND FRENCH BREAD, ALSO?

MR. GALLICCHIO: IN THE BAG, WE HAVE THE CHEESE AND FRENCH BREAD.

A VOICE: WE COULD HAVE A HALF HOUR ADJOURNMENT WHILE
WE ALL --

MR. GALLICCHIO: AS MR. TCHELISTCHEFF IS MUCH MORE

QUALIFIED TO GIVE YOU TECHNICAL KNOWLEDGE, AS HE IS OUR TECHNICAL

ADVISER FOR TECHNICAL ADVICE OF BEAULIEU VINEYARDS, I WOULD RATHER

HAVE HIM DO IT.

AS YOU ALL SAW, THIS ONE CAME OUT OF THIS BOTTLE.

WOULD NOT WANT TO GET MIXED UP HERE. IN MY LEFT HAND IS THE

RUTHERFORD, AND IN MY RIGHT HAND IS THE OTHER.

MR. GRAHAM: IS THAT 100 PER CENT PINOT NOIR?

MR. GALLICCHIO: YES.

MR. GRAHAM: BOTH OF THEM?

MR. GALLICCHIO: BOTH OF THEM. 1976. BOTH OF THEM, AS THE LABEL STATES, PRODUCED ENTIRELY FROM PINOT NOIR GRAPES.

DO YOU WANT TO TASTE IT?

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THE CHAIRMAN: NO, THANK YOU.

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MR. GALLICCHIO: I WILL HAVE TO DRINK IT ALL MYSELF.

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A VOICE: DO YOU WANT ANY VOLUNTEERS?

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MR. GALLICCHIO: MR. WILLIAM HETNTZ WILL GIVE TESTIMONY

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ON GRAPE GROWING AND WINEMAKING IN THE CARNEROS REGION OF NAPA

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VALLEY. MR. TOM SELFRIDGE WAS TO TESTIFY AS TO THE SOIL AND

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CLIMATE; HOWEVER, HE IS UNABLE TO ATTEND THE HEARING. HE IS IN

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NEW YORK ON A SPEAKING TOUR. MR. DIMITRI TCHELISTCHEFF WILL READ

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MR. SELFRIDGE'S TESTIMONY, AND HE IS PRÉPARED TO ANSWER ANY

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TECHNICAL QUESTIONS.

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AFTER THEY SPEAK, I WILL RETURN TO THE STAND AND MAKE

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OUR CONCLUSION.

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WILLIAM F. HEINTZ,

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ON BEHALF OF BEAULIEU VINEYARDS, TESTIFIED AS FOLLOWS:

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GOOD MORNING, AGAIN. MY NAME IS WILLIAM F. HEINTZ. I

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LIVE IN SONOMA, CALIFORNIA. I AM A PROFESSIONAL WINE HISTORIAN

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AND WRITER. I HAVE BEEN ASKED BY BEAULIEU VINEYARD TO OFFER

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TESTIMONY AS TO THE HISTORY OF THE CARNEROS.

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PROCEEDINGS, AS THIS IS THE THIRD TIME I HAVE PARTICIPATED IN

I AM BEGINNING TO FEEL LIKE A REGULAR MEMBER OF THESE

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SUCH AN APPELLATION EVENT IN THE LAST SEVEN MONTHS, AS SOME OF

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YOUR PANEL MEMBERS KNOW. I SUSPECT THIS IS NOT MY LAST TIME, AS

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I HAVE RECENTLY BEEN ENGAGED IN RESEARCH IN SOUTHERN CALIFORNIA

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AS WELL.

I HASTEN TO RELIEVE YOUR MINDS THAT MY TESTIMONY THIS

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MORNING WILL NOT BE AS LONG AS APRIL OR AS MONDAY. I HAVE ONLY

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ABOUT SIX PAGES, SO I HOLD TO YOUR 10-MINUTE TIME LIMIT.

BEAULIEU VINEYARD HAS ALREADY SUBMITTED A REPORT TO YOU THAT I PREPARED FOR THEM ON THE CARNEROS, AND MY REMARKS THIS MORNING WILL JUST BE A REVIEW OF THE HIGHLIGHTS.

A MAN NAMED GEORGE YOUNT IS GENERALLY CREDITED WITH HAVING BEEN THE FIRST VINEYARDIST IN NAPA VALLEY. HIS VINES HAVING BEEN BROUGHT FROM THE SONOMA MISSION IN 1838.

WHEN YOUNT MADE THAT TREK BY HORSEBACK, HE CROSSED BACK AND FORTH THROUGH THE CARNEROS, OF COURSE. AND, AS THE NAPA VALLEY WAS SETTLED, MANY OF ITS FIRST FARMERS AND INHABITANTS TRAVELED FROM SONOMA, SETTLING IN THE CARNEROS AND THEN EXPANDING OUT INTO THE NAPA VALLEY OR THE REMAINDER OF THE NAPA VALLEY.

IT IS FOR THIS REASON THAT I BELIEVE GRAPES WERE PROBABLY PLANTED VERY EARLY IN THE CARNEROS, POSSIBLY BEFORE THE GOLD RUSH. DOCUMENTING THIS HAS BEEN DIFFICULT, BUT I THINK TIME WILL PROVE THIS SPECULATION TO BE TRUE.

ONE OF THE REASONS FOR MY COMING TO THIS CONCLUSION IS A LETTER PRINTED IN THE NAPA REGISTER AUGUST 2, 1889, AND WRITTEN BY A VERY REPUTABLE PIONEER GRAPE GROWER AND WINE TRADER NAMED A.H. GROSSMAN. GROSSMAN WROTE IN 1889: "LET US GO BACK TO '72!" --SPEAKING OF 1872, OF COURSE: "IN THAT SEASON, I LEASED THE HUICHICA VINEYARD OF W.H. WINTERS FOR A TERM OF SIX YEARS. IT WAS THEN THE LARGEST VINEYARD IN NAPA COUNTY," UNQUOTE.

GROSSMAN IS SAYING THAT THE LARGEST VINEYARD IN 1872 IN NAPA COUNTY WAS THAT OF W.H. WINTERS IN THE CARNEROS. I FOUND THIS VERY SURPRISING WHEN I FOUND THIS QUOTATION.

THE W.H. WINTERS, OR WILLIAM WINTERS REFERRED TO HERE, PURCHASED HIS LAND, ABOUT 1,200 ACRES, IN THE MIDDLE OF WHAT WE

 NOW CALL THE CARNEROS, IN 1855 AND SUBSEQUENT YEARS. I DO NOT KNOW WHEN HE PLANTED HIS FIRST GRAPES, BUT HE HAD A WINERY THERE BY THE EARLY 1870'S, AND I BELIEVE THIS MAKES HIM THE FIRST WINE-MAKER IN THE CARNEROS.

WINTERS'S WINERY, OR THE RUINS OF IT, ARE STILL STANDING,
INCIDENTALLY. THEY REALLY SHOULD BE A STATE HISTORICAL LANDMARK
BECAUSE OF WHAT HAPPENED SUBSEQUENTLY.

WHEN HE DIED IN 1879, IT WAS SOLD AND RENAMED TALCOA VINEYARDS. GEORGE HUSMANN THEN TOOK OVER WINEMAKING AND RUNNING THE VINEYARD. HE IS ONE OF THE TRULY GREAT VITICULTURE PIONEERS OF AMERICA, WORKING FIRST IN MISSOURI, AND THEN IN CALIFORNIA. I BELIEVE HUSMANN CARRIED OUT AT TALCOA WHAT CAN BE DESCRIBED AS THE FIRST SCIENTIFIC EXPERIMENTS IN CALIFORNIA TO OVERCOME THE PHYLLOXERA VINE DISEASE WITH RESISTANT ROOTS. ONE OF THE RESOURCES FOR THIS IS THE REPORT OF CHARLES WETMORE TO THE BOARD OF STATE VITICULTURAL COMMISSIONERS IN 1882.

IT IS AT TALCOA, TOO, THAT HUSMANN THEN ENLARGED HIS GREAT CLASSIC TEXT IN WINEMAKING CALLED THE AMERICAN GRAPE GROWING AND WINEMAKING, FIRST PUBLISHED IN 1881. A SUBSEQUENT EDITION OF THAT BOOK, REWORKED AT TALCOA, ACTUALLY BEARS THAT NAME IN THE PREFACE, AND THE DATE AND YEAR.

NOW, THERE WERE ABOUT TWO DOZEN VINEYARDISTS IN THE CARNEROS BY THE TIME THE 1881 <u>HISTORY OF NAPA COUNTY</u> WAS PUBLISHED. AND I SAY ABOUT BECAUSE THEY ARE NOT SO LISTED UNDER ANY CARNEROS LABELLING. I HAVE HAD TO CULL THE NAMES OUT OF THOSE PAGES BY COMPARING THEM TO THE PROPERTY-HOLDING MAPS OF THE TIME. I ALSO CAME UP WITH 357 ACRES OF GRAPES GROWING IN THE CARNEROS.

NAPA HAD SOMETHING IN EXCESS OF 4,000 ACRES WHEN THE

BOOK WAS PUBLISHED, SO I GUESS WE ARE SPEAKING ABOUT 10 PER CENT BEING LOCATED IN THE CARNEROS OF ALL GRAPES GROWING IN 1879, 80 IN THE ENTIRE NAPA COUNTY.

TEN YEARS LATER, NAPA COUNTY HAD 18,000 TO 20,000 ACRES OF VINES.

I TESTIFIED IN APRIL AT THE NAPA VALLEY HEARING THAT
THIS WAS, THE 1880'S, THE MOST IMPORTANT DECADE OF GROWTH IN THE
VITICULTURAL INDUSTRY IN CALIFORNIA, INCLUDING THE LAST 10 YEARS,
BECAUSE OF THE TREMENDOUS INCREASE IN VINE ACREAGE. WE WENT FROM
4,000 ACRES TO 20,000 ACRES IN ONLY 10 YEARS' TIME.

A DIRECTORY OF NAPA GRAPE GROWERS PUBLISHED IN 1891 BY THE VITICULTURAL COMMISSIONERS, WHICH I MADE REFERENCE TO MONDAY IN MY REMARKS -- THAT DIRECTORY DOCUMENTS 18,229 ACRES, BUT THE PHYLLOXERA HAD ALREADY KILLED QUITE A NUMBER OF ACRES OF GRAPES.

NOW JOHN MC CLURE HAD OPENED A WINERY IN THE CARNEROS
BY 1877. AND A YEAR LATER, JUDGE JOHN STANLY OF THE SAN
FRANCISCO MUNICIPAL COURT BENCH, SETTLED DOWN THE ROAD FROM HIM,
PLANTING VINES AND CRUSHING, BY THE MID-1880'S. BY 1895, HE HAD
200 ACRES IN VINES AND A WINERY HOLDING MORE THAN 100,000 GALLONS.

MAKING OF THE CARNEROS FAME, HE IS ONE OF THE PRINCIPAL AND MOST IMPORTANT INDIVIDUALS IN THE HISTORY OF NAPA VALLEY VITICULTURE. BECAUSE OF HIM, THE SAN FRANCISCO CHRONICLE LABELLED THE LOWER NAPA VALLEY AS THE CALIFORNIA MEDOC, IN ITS ISSUE OF OCTOBER 6, 1889. AND I THINK A GREAT MANY MORE PEOPLE SHOULD KNOW WHAT STANLY THOUGHT OF HIS GRAPE DISTRICT 92 YEARS AGO. I WOULD LIKE TO QUOTE:

"I CONSIDER THAT THE LOWER END OF NAPA VALLEY IS THE

MOST SUITABLE LOCALITY FOR GRAPES THAT WILL YIELD RED
WINE. MY REASONS FOR THIS STATEMENT ARE THAT THE DISTRICT
IS WITHIN THE RANGE WHERE SEA AIR PERMEATES THE ATMOSPHERE.
FROM THIS SEA AIR, THE VINES EXTRACT PROPERTIES WHICH
INCREASE THE TANNIN THE THE FRUIT. THE SOFT PALL OF MIST
WHICH HANGS OVER THE LOWER END OF THE VALLEY IN THE WINTER
MORNINGS SERVES TO SHIELD THE VINES FROM FROST AND AT THE
SAME TIME AFFORDS NOURISHMENT TO THE PLANTS. THE SALINE
PROPERTIES EXISTING IN THE SEA AIR IS ALSO VALUABLE AND
IMPARTS THAT PECULIAR FLAVOR TO THE FRUIT AND WINE WHICH
IS SO NOTICEABLE A FEATURE IN WINES GROWN IN THE MEDOC
DISTRICT OF FRANCE..."

UNQUOTE.

FOR ANYONE WHO DOUBTS THESE OBSERVATIONS, THERE IS
STRONG DOCUMENTATION THAT HIS WINE ALWAYS SOLD FOR HIGHER PRICES
THAN ANY OTHER PRODUCER IN NAPA AND SONOMA VALLEY. NOW, BESIDES
THE MC CLURE, STANLY, AND TALCOA WINERIES, BY THE TURN OF THE
CENTURY, THERE WAS THE FLAMANT WINERY EAST OF TALCOA, THE
FLANNAGAN WINERY, GHILETTA, AND POSSIBLY FROM THREE TO SIX
ITALIAN FAMILIES WHO MADE WINE AT HOME AND SOLD SOME COMMERCIALLY.

ABOUT THIS TIME, HOWEVER, THE PHYLLOXERA VINE DISEASE WAS REAPING HAVOC IN CARNEROS VINEYARDS, AND THEN, OF COURSE, A FEW YEARS LATER CAME PROHIBITION. BY THE TIME REPEAL ARRIVED IN THE 1930'S, ONLY THE OLD STANLY WINERY STILL OPERATED, AND THE NEWLY OPENED GARRETTO WINERY.

THERE MAY HAVE BEEN A SMALL WINERY OR TWO THAT I DON'T KNOW ABOUT AND HAVE NOT LEARNED ABOUT, BUT, WITH THE EARLY 1940'S, LOUIS MARTINI, SR., TOOK A VERY SPECIAL INTEREST IN THE CARNEROS.

HE HAD BOUGHT GRAPES FOR A NUMBER OF YEARS FROM THE STANLY RANCH, LIKED WHAT HE TASTED, ESPECIALLY WHEN IT WAS CRUSHED INTO WINE. HE PURCHASED PART OF THE STANLY RANCH AND BEGAN REPLANTING.

SOME YEARS LATER, ANDRE TCHELISTCHEFF, A LIVING LEGEND
NOW IN THE CALIFORNIA WINE INDUSTRY, CONVINCED HELEN DE PINS,
DAUGHTER OF BEAULIEU FOUNDER, GEORGE LA TOUR, THAT BEAULIEU SHOULD
EXPAND TO THE CARNEROS. THIS WAS ACCOMPLISHED IN 1964.

CARNEROS WAS THE IDEAL LOCALE FOR PINOT NOIR AND CHARDONNAY GRAPES.

OTHER NOTABLE WINE GROWERS FOLLOWED THEREAFTER, INCLUDING RENE

DI ROSA, THE TWO MONDAVI BROTHERS -- ROBERT FOR HIS OWN WINERY,

AND PETER FOR THE CHARLES KRUG WINERY -- CARNEROS CREEK WINERY,

AND FINALLY THE FRENCH CONNECTION -- WINE, THAT IS -- IN NAPA

VALLEY, DOMAINE CHANDON. NEXT DOOR TO THEM, WITH A TOE ACROSS THE

COUNTY LINE, IS BUENA VISTA WINERY.

THE REPUTATION OF THE CARNEROS HAS GROWN PHENOMENALLY

IN THE LAST TWO DECADES. I NEED NOT COMMENT FURTHER ON THAT.

FINALLY, WHAT I WOULD LIKE TO SPEAK TO IS THE BOUNDARY QUESTION, AND RATHER BRIEFLY.

MY WRITTEN REPORT ALREADY SUBMITTED TO YOU SHOWS THAT, BY THE 1880'S, THERE WAS VERY CLEARLY A SUBDISTRICT OF THE NAPA WINE GROWERS ASSOCIATION, WHICH TOOK IN ALL OF THE CARNEROS. IT WAS CLEARLY BOUNDED ON THE EAST BY THE NAPA RIVER; ON THE SOUTH BY THE SAN FRANCISCO BAY; AND, GENERALLY, ON THE NORTH BY BROWN'S CREEK. AMONG THE SOURCES FOR THIS BOUNDARY IS A STORY IN THE JUNE ISSUE OF THE 1895 NAPA REGISTER, WHICH DESCRIBES THE FARMS OF THE FLY DISTRICT SOUTHWEST OF TOWN. BOON FLY, WAS A 1850 SETTLER IN THE CARNEROS, AND, GRADUALLY THAT PECULIAR MONIKER WAS

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DROPPED IN FAVOR OF CARNEROS, FOR THE CREEK THAT RUNS THROUGH THE AREA. BUT FOR MANY, MANY YEARS, IT WAS REFERRED TO AS THE FLY DISTRICT. I THOUGHT, WHEN I FIRST BEGAN RESEARCHING IT, THAT THEY HAD A FLY PROBLEM OUT THERE, AND I WAS PLEASED TO FIND OUT IT MISDIRECTED. THE FARMERS LISTED IN THIS REPORT ARE OR WERE ALL IN THE AREA NOW KNOWN AS THE CARNEROS.

THE WESTERN BOUNDARY OF THE CARNEROS IS THE ONLY ONE THAT IS NOT CLEARLY MENTIONED IN HISTORIC TEXTS THAT I HAVE BEEN ABLE TO LOCATE. PERHAPS THE VERY FACT THAT IT IS NOT CLEARLY LOCATED MEANS THAT IT WAS THE COUNTY LINE AND WAS SO WELL UNDERSTOOD THAT IT DID NOT REQUIRE A SPECIFIC REFERENCE. AND LET ME GIVE YOU AN EXAMPLE.

IN JUNE, 1881, T.B. MC CLURE REPORTED ON THE ACRES OF VINES IN HIS SUBDISTRICT SOUTHWEST OF NAPA. IT WAS DEFINED AS FOLLOWS, QUOTE: "MR. MC CLURE, SUBDISTRICT COMPRISING VINEYARDS WEST OF NAPA RIVER AND SOUTH OF SONOMA ROAD."

NOW, SOMEONE ELSE REPORTED NORTH OF THE SONOMA HIGHWAY.

NOTHING ELSE IS STATED ABOUT THE DIRECTIONS HERE, AND LET ME

REPEAT THAT ONE LINE. "MR. MC CLURE, SUBDISTRICT COMPRISING

VINEYARDS WEST OF NAPA RIVER AND SOUTH OF THE SONOMA ROAD."

OBVIOUSLY, THE SOUTHERN BOUNDARY FOR MR. MC CLURE'S SUBDISTRICT WAS THE BAY. AND THE WESTERN BOUNDARY? WELL, THERE IS NO DELINEATION. AND WAS HE SUPPOSED TO GO TO SONOMA CREEK? OR PERHAPS STOP AT THE COUNTY LINE? OBVIOUSLY, HE STOPPED AT THE COUNTY LINE, FOR THIS WAS, AFTER ALL, A NAPA COUNTY ORGANIZATION. HE CERTAINLY WOULD NOT HAVE BEEN REPORTING ON SONOMA GRAPE GROWERS TO A NAPA COUNTY WINE ORGANIZATION. THEY DID NOT PUT IT IN THE NEWSPAPER. IT WAS SO WELL UNDERSTOOD, APPARENTLY, THAT IT

WAS NOT NEEDED.

THERE IS ANOTHER REASON WHY THAT INVISIBLE POLITICAL BOUNDARY MIGHT AS WELL HAVE BEEN A BRICK WALL. BY POLITICAL BOUNDARY, I MEAN THE COUNTY LINE. NAPA VALLEY HAS LONG ACCEPTED WITH PRIDE THAT IT IS OFTEN DESCRIBED IN PRINT AS THE PREMIER WINE REGION OF AMERICA. THAT REPUTATION CAME ABOUT, NOT ONLY BECAUSE IT MADE EXTREMELY FINE WINE, BUT BECAUSE IT HAS ALWAYS EXCELLED IN GOOD PUBLIC RELATIONS AND PRESS RELATIONS.

THAT CAN BE DOCUMENTED. THERE IS IN NAPA VALLEY, A
STRONG SPIRIT OF TOGETHERNESS, AS EXEMPLIFIED BY THE SLOGAN USED
IN 1935, WHEN THE FIRST COUNTY WINE AND GRAPE ORGANIZATION WAS
FORMED AFTER PROHIBITION IN CALIFORNIA IN NAPA VALLEY. THE VERY
FIRST ONE FORMED IN CALIFORNIA AFTER PROHIBITION. THE SLOGAN OF
THAT ORGANIZATION WAS: "USE NAPA VALLEY DRY WINES -- NAPA COUNTY
GRAPES FOR NAPA VALLEY WINES."

THIS SLOGAN WAS TAKEN SERIOUSLY. LIKE THE WOODEN AND GORDON VALLEY GROWERS BEFORE PROHIBITION WHO CARTED THEIR GRAPES OVER THE STEEP ROADS RATHER THAN SELL THEM IN SOLANO COUNTY, IN PART BECAUSE THE PRICE WAS HIGHER -- I DISCUSSED THIS IN DETAIL, FOR EXAMPLE, AT THE NAPA COUNTY APPELLATION HEARINGS -- CARNEROS GROWERS, TOO, BROUGHT THEIR GRAPES TO NAPA OR THE LOCAL CARNEROS WINERY. IT WAS THE CUSTOMARY THING TO DO. IT WAS THE NAPA VALLEY LOCAL PRIDE THING TO DO.

THANK YOU VERY MUCH FOR ALLOWING ME TO AGAIN PARTICIPATE
IN THIS VERY HISTORIC EVENT.

QUESTIONS?

MR. GRAHAM: YES. THANK YOU, MR. HEINTZ.

WAS THE WESTERN COUNTY LINE, TO YOUR KNOWLEDGE, ALWAYS

THE SAME?

MR. HEINTZ: NO.

MR. GRAHAM: WE HEARD TESTIMONY, I BELIEVE IT WAS,
MONDAY THAT THE NORTHERN COUNTY LINE OF NAPA WAS UP AROUND CLEAR
LAKE AT ONE TIME. DID ANYTHING HAPPEN AT THAT TIME ON THE
WESTERN SIDE?

MR. HEINTZ: YES. THERE HAS BEEN LITIGATION OVER THE NAPA-SONOMA COUNTY LINE AT LEAST FIVE TIMES THAT I KNOW OF, ESPECIALLY IN THE NORTHERN ENDS AROUND KNIGHTS VALLEY. I DO NOT HAVE THE DOCUMENTATION ON THIS. I HAVE SEEN IT. I READ THE 19TH CENTURY NEWSPAPERS.

AND I THINK THERE WAS SOME IN LOVALL VALLEY. I DON'T KNOW PERSONALLY OF LITIGATION INVOLVING THE COUNTY LINE IN THE CARNEROS. MY RECOLLECTION OF THESE STORIES IS THAT IN MOST CASES WHEN THE LINE WAS MOVED BACK OR FORTH, IT WAS A VERY SMALL AMOUNT OF LAND INVOLVED. IT WAS NOT A MAJOR CHANGE.

NOW, I COULD BE CORRECTED WITH MORE DOCUMENTATION. I HAVE A REFERENCE TO A LAND CASE INVOLVING THE BOUNDARY OF THE CARNEROS, WHICH I HAVE NOT HAD THE OPPORTUNITY TO GO THROUGH IN MICROFILM IN SAN FRANCISCO. I THOUGHT THAT MIGHT SHED SOME LIGHT ON IT. AND WHEN I DO, I WILL SUBMIT A WRITTEN STATEMENT TO YOU ON THAT.

MR. GRAHAM: I WOULD APPRECIATE THAT.

MRS. KIRK: I HAVE A QUESTION. YOU INDICATED THAT THE CARNEROS BOUNDARY HISTORICALLY WENT TO THE BAY; IS THAT CORRECT?

MR. HEINTZ: THAT'S RIGHT.

MRS. KIRK: ON THE PROPOSED LOS CARNEROS VITICULTURAL AREA, IT DOESN'T SEEM TO GO ALL THE WAY TO THE BAY; IS THAT

CORRECT?

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MR. HEINTZ: I AM NOT TOTALLY FAMILIAR WITH THE --

A VOICE: I WILL ANSWER THE QUESTION.

MR. HEINTZ: -- WITH WHAT THE EXACT BOTTOM LINES ARE.

HAVE THEY CUT IT OFF ACROSS -- I SUPPOSE SOMEONE HAS ACCEPTED A

MORE UNDERSTANDABLE BOUNDARY AREA. I AM NOT SURE WHAT THE --

A VOICE: BILL, IF I CAN INTERJECT, I REQUEST THAT THE QUESTIONS BE AFTER I COMPLETE MY TESTIMONY.

MR. HEINTZ: MAY I JUST MAKE ONE STATEMENT IN RELATIONSHIP TO THAT. I AM NOT SURE JUST HOW THE CARNEROS -- WHETHER THE
CARNEROS ALL THE TIME WENT TO THE SOUTHERN END TO THE WATERS. I
DO KNOW, I THINK, MY REASON FOR COMING TO THIS CONCLUSION IS THAT
OCCASIONALLY IN THE 19TH CENTURY, THERE WOULD BE A DESCRIPTION OF
WHAT WAS THE NAPA VALLEY IN NEWSPAPERS. AND, GENERALLY, I NEVER
SAW A LIMITING OF IT ONE WAY OR THE OTHER.

MR. GEORGE: YOU MENTIONED JUDGE STANLY. AND COULD YOU POSSIBLY TELL THE PANEL WHERE HIS RANCH HOLDINGS WERE LOCATED AND HOW EXTENSIVE THEY WERE.

MR. HEINTZ: MOST OF THE PEOPLE IN THE ROOM WILL UNDER-STAND THIS. I DON'T KNOW WHETHER YOU HAVE DRIVEN THERE RECENTLY.

WHEN YOU ARE DRIVING FROM SONOMA TO NAPA AND YOU ARE DRIVING THROUGH THE CARNEROS, ALL OF A SUDDEN THE ROAD BEGINS A RATHER SHARP LEFT TURN, AND YOU ARE SEEING THE TOWN OF NAPA. IN OTHER WORDS, WHERE THAT TURN IS MADE, THERE IS NOW A GREAT DEAL OF ROAD WORK BEING MADE. THERE IS A NEW BRIDGE THAT WILL BE OPENED A LITTLE BIT FURTHER AND WILL MAKE A SHORT CUT. YOU CAN AVOID GOING THROUGH THE TOWN OF NAPA WHEN YOU ARE GOING THROUGH THE VALLEY. THERE IS A ROAD CUTTING THERE RIGHT ACROSS THE

HIGHWAY CALLED STANLY LANE. THERE IS A LARGE GROVE OF EUCALYPTUS, 1 AND I BELIEVE LOUIS MARTINI OWNS THE VINEYARDS JUST DIRECTLY WEST 2 OF THAT LARGE GROVE OF EUCALYPTUS, WHICH WAS STANLY'S WINERY. 3 RIGHT IN THE VERY CENTER OF THE CARNEROS. 4 MRS. KIRK: ONE MORE QUESTION. IN YOUR HISTORICAL 5 RESEARCH, HAVE YOU FOUND ANY AREAS OUTSIDE OF THE PROPOSED AREA 6 WHICH HAVE BEEN KNOWN AS LOS CARNEROS? 7 MR. HEINTZ: I AM NOT SURE I UNDERSTAND YOUR QUESTION. 8 YOU MEAN, PERHAPS OUTSIDE OF THE NAPA COUNTY ITSELF? 9 MRS. KIRK: OUTSIDE OF THE PROPOSED BOUNDARIES HERE. 10 MR. HEINTZ: NO, I HAVE NOT. DEFINITELY NOT. 11 THE CHAIRMAN: THANK YOU, MR. HEINTZ. 12 MR. TCHELISTCHEFF. 13 14 DIMITRI TCHELISTCHEFF, 15 ON BEHALF OF BEAULIEU VINEYARDS, TESTIFIED AS FOLLOWS: 16 MY NAME IS DIMITRI TCHELISTCHEFF, AND I WORK FOR 17 18 BEAULIEU VINEYARDS, AND I AM READING THIS PAPER FOR TOM SELFRIDGE, 19 WHO COULD NOT BE PRESENT. THE FIRST PAGE IS THE INTRODUCTION. 20 THE CHAIRMAN: WOULD YOU KEEP THE MICROPHONE CLOSER TO 21 YOU. 22 MR. TCHELISTCHEFF: HOW IS THAT? 23 THE CHAIRMAN: THANK YOU. 24 MR. TCHELISTCHEFF: THE CRESCENT-SHAPED REGION 25 EXTENDING ACROSS THE SOUTHERN PORTION OF NAPA COUNTY AND SKIRTING 26 SAN PABLO BAY HAS, FOR THE MOST PART OF THIS CENTURY, BEEN 27

RECOGNIZED AS A UNIQUE VITICULTURAL REGION. AS BILL HEINTZ HAS

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STATED, THIS REGION COULD COMPRISE THE SECOND OLDEST VINEYARD PLANTINGS IN NAPA COUNTY; AND, AS HE SPECULATES, THIS REGION COULD HAVE BEEN A NATURAL EXPANSION OF THE ORIGINAL SONOMA COUNTY PLANTINGS AS THEY PROGRESSED EASTWARD ALONG THE MAYACMAS MOUNTAIN FRINGES TOWARDS NAPA COUNTY.

THIS REGION WAS ESTABLISHED IN THE 1800'S UNDER THREE LAND GRANTS REFERRED TO ON THE UNITED STATES GEOLOGICAL SERVICE MAPS AS RANCHO HUICHICA, RANCHO ENTRE DE NAPA, RINCON DE LOS CARNEROS.

KNOWN LOCALLY UNDER VARIOUS NAMES, THE MORE WELL KNOWN BEING THE FLY DISTRICT AND THE LOS AMIGOS SCHOOL DISTRICT, THE REGION HAS NOW BECOME KNOWN AS THE CARNEROS REGION. AS STATED BY BILL HEINTZ, IT APPEARS THAT THIS REGION EARNED THIS NAME IN THE 1950'S FROM THE OLD SCHOOL DISTRICTS IN THE AREA.

NAME WITHIN THE NORTH COAST COUNTIES OF CALIFORNIA AND IS
GENERALLY ACCEPTED AS THAT REGION OF NAPA COUNTY LOCATED SOUTH OF
THE CITY OF NAPA. MOST PEOPLE INVOLVED IN THE WINE INDUSTRY OF
NORTHERN CALIFORNIA RECOGNIZE THE CARNEROS REGION AS AN AREA WITH
DISTINCT VARIETAL DIFFERENCES AND DISTINCT WINE GROWTH CHARACTERISTICS.

THE SECOND PAGE IS LABELLED AS DISCUSSION, TOPOGRAPHY AND SOILS.

UNLIKE THE NAPA VALLEY, WHERE THE BULK OF THE VINEYARDS ARE PLANTED ON FLAT VALLEY BOTTOM, LOS CARNEROS VINEYARDS ARE ESTABLISHED ON ROLLING HILLS AND WITHIN SHALLOW VALLEYS. THE VITICULTURAL AREA, AS PROPOSED, WOULD EXTEND FROM TIDAL PLAINS IN THE SOUTH ALONG SAN PABLO BAY TO SALINE SOILS FURTHER INLAND,

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AND EXTENDING INTO SHALLOW VALLEYS AND ROLLING HILLS TO THE EAST AND NORTH, AND THE MAYACMAS MOUNTAINS IN THE NORTHWEST.

IN ESTABLISHING THESE BOUNDARIES, CERTAIN NON-PRODUCTIVE AREAS WERE INCLUDED AS DETAILED:

- (1) PORTIONS OF THE CITY OF NAPA AND TOWNSHIP DEVELOP-MENT AREAS IN THE NORTHEAST CORNER.
- (2) THE FLOOD PLAIN OF THE NAPA RIVER ALONG THE EASTERN BOUNDARY.
- (3) THE AREA OCCUPIED BY STATE HIGHWAY CONSTRUCTION ALONG THE EASTERN BOUNDARY.
- (4) MUD FLATS AND HEAVILY SALINE SOILS ALONG THE SOUTHERN BOUNDARY AND THE SOUTHWEST CORNER.
- (5) MOUNTAIN RANGES AND TERRAIN NOT GENERALLY SUITABLE FOR VINEYARD DEVELOPMENT ALONG THE UPPER PORTION OF THE WESTERN BOUNDARY AND THE NORTHWEST CORNER.
 - (6) HOUSING DEVELOPMENTS ALONG THE NORTHERN BOUNDARY.

THESE PROPOSED BOUNDARIES WERE SELECTED IN ORDER TO PROVIDE BATF WITH A REGION READILY RECOGNIZABLE FROM CURRENT UNITED STATES GEOLOGICAL SERVICES MAPS. AS STATED BY MR. GALLICCHIO, THE WESTERN BOUNDARY WAS CHOSEN AS THE NAPA-SONOMA COUNTY LINE IN ORDER TO AVOID THE CONFUSION INCURRED WITH OVERLAPPING DISTRICTS. IT SHOULD BE NOTED FROM THE MAPS PROVIDED THAT, EXCEPT FOR THE WESTERN BOUNDARY, THE AREAS WHICH ARE GENERALLY ACCEPTED AS BEING VITICULTURALLY NON-PRODUCTIVE AREAS TEND TO ISOLATE LOS CARNEROS FROM THE REMAINDER OF NAPA VALLEY.

IT SHOULD BE FURTHER NOTED THAT THE AREA TO BE EAST OF THE NAPA RIVER WAS NOT INCLUDED IN THE ORIGINAL LAND GRANTS OF THE 1800'S, AND HAS BEEN EXCLUDED FROM OUR PROPOSED VITICULTURAL REGION.

LOS CARNEROS IS GENERALLY REGARDED AS A DIFFICULT AND UNIQUE REGION IN WHICH TO GROW GRAPES, AND THE FOLLOWING QUOTATION FROM A RECENT ARTICLE IN A WIDELY READ WINE PUBLICATION EMPHASIZES THE PUBLIC'S KNOWLEDGE OF LOS CARNEROS. QUOTE:

"A COMBINATION OF FACTORS MAKES CARNEROS A DIFFICULT
PLACE TO GROW WINE GRAPES. THE WINDS WHISTLE OFF SAN
PABLO BAY WITH A VENGEANCE, BRINGING COOL BREEZES UP THE
ENTIRE LENGTH OF NAPA VALLEY. THE SOIL TENDS TO BE
SHALLOW, WITH A HARD PAN THAT DOESN'T TAKE KINDLY TO
YOUNG ROOTS. SALT WATER IS AN INCREASING HAZARD TO THE
HEALTH AND LONGEVITY OF THE VINES AS YOU MOVE SOUTH OF
ROUTE 121, THE NORMAL ROUTE UP FROM THE GOLDEN GATE BRIDGE
TO NAPA. THE WINDS CAN BE SO DIFFICULT THAT ONE DETRACTOR
TOLD ME THAT BEAULIEU IS THE ONLY GOOD VINEYARD DOWN THERE.
BUT THE EXCELLENCE OF MANY OTHER CARNEROS-BASED WINES MORE
THAN DISPROVES SUCH A CLAIM."

THE GENERAL TOPOGRAPHY OF LOS CARNEROS IS HILLY WITH SHALLOW SOILS, GENERALLY HIGH IN CLAY CONTENT. THE GENERAL SOILS MAP OF NAPA COUNTY PRODUCED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE, SOIL CONSERVATION SERVICE, SHOWS THAT SIX BASIC SOIL TYPES PREDOMINATE IN THE SOUTHERN PORTION OF NAPA COUNTY; AND OF THE SIX BASIC SOIL TYPES, ONLY THREE ARE FOUND IN THE AREA REGARDED AS THE NAPA VALLEY FLOOR. IT SHOULD BE NOTED THAT THERE ARE EXCEPTIONS TO EVERY RULE, AND WITHIN THE SOIL TYPES THERE ARE BOUND TO BE VINEYARD DIFFERENCES. THE THREE PREDOMINANT SOIL TYPES IN LOS CARNEROS ARE BALE-COLE-YOLO, HAIRE-COOMBS, AND REYES-CLEAR LAKE.

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BY FAR THE MOST WIDESPREAD SOIL WITHIN THE PROPOSED VITICULTURAL AREA IS THE HAIRE-COOMBS, LOCATED IN THE AREAS ADJACENT TO HIGHWAY 121 AND 12; WITH THE SECOND LARGEST AREA THE REYES-CLEAR LAKE SERIES, LOCATED IN THE SOUTHERN TIDAL PORTION OF THE PROPOSED VITICULTURAL AREA. THE BALE-COLE-YOLO SERIES IS LOCATED ALONG THE CARNEROS CREEK AND COMPRISES A RELATIVELY SMALL AREA OF THE PROPOSED VITICULTURAL AREA. IN CONTRAST, THE BALE-COLE-YOLO SERIES IS THE PREDOMINANT NAPA VALLEY SOIL TYPE; AND, AS SHOWN ON THE MAP, EXTENDS THROUGHOUT THE NAPA VALLEY.

THE TECHNICAL DESCRIPTION OF THE SOILS AS STATED IN THE SOIL CONSERVATION SERVICE PUBLICATION SHOWS THE BALE-COLE-YOLO SERIES TO BE VERY SIMILAR TO THE HAIRE-COOMBS SERIES, WHEREAS THE REYES-CLEAR LAKE SERIES IS SIGNIFICANTLY DIFFERENT IN THAT IT IS MORE POORLY DRAINED AND HIGHER IN CLAY AND CLAY LOAM.

OUR GENERAL EXPERIENCE HAS SHOWN THE SOILS IN OUR VINEYARDS IN LOS CARNEROS TO BE HIGHER IN CLAY CONTENT, CONSIDER-ABLY SHALLOWER THAN, AND LESS WELL-DRAINED THAN OUR NAPA VALLEY VINEYARDS, WHICH ARE QUITE REPRESENTATIVE OF NAPA VALLEY SOIL TYPES. THE LOS CARNEROS SOILS ALSO EXHIBIT POOR WATER PENETRATION CHARACTERISTICS AND ARE SUBJECT TO EXCESSIVE WATER RUNOFF AND EROSION DURING THE WINTER MONTHS.

THE SOILS DIFFER CONSIDERABLY WITHIN LOS CARNEROS, AND WHAT HOLDS TRUE IN ONE REGION NEED NOT BE TOTALLY VALID IN ANOTHER LOCATION. IN SOME LOCATIONS, THE SUBSOIL COMPRISES A HEAVY, DARK ORGANIC SUBSOIL THAT APPEARS TO RESTRICT ROOT GROWTH.

THE NEXT TITLE IS CLIMATE.

CLIMATICALLY, LOS CARNEROS DIFFERS SIGNIFICANTLY FROM THAT AREA OF NAPA VALLEY TO THE NORTH OF THE CITY OF NAPA. AS

SHOWN ON THE ATTACHED MAP, RAINFALL IS FOUND TO INCREASE NORTH-WARDS THROUGH THE COUNTY WITH APPROXIMATELY 35 INCHES PER YEAR IN ST. HELENA AND LESS THAN 25 INCHES PER YEAR SOUTH OF NAPA.

TEMPERATURES TEND TO DIFFER BETWEEN THE TWO LOCATIONS, ALSO, WITH MORE MODERATE TEMPERATURES FOUND IN LOS CARNEROS. THE CLOSE PROXIMITY OF SAN PABLO BAY GREATLY INFLUENCES THE DAILY TEMPERATURES AND GENERALLY RESULTS IN A MORE MODERATE CLIMATE. DAYTIME HIGHS ARE SLIGHTLY LOWER THAN OTHER PARTS OF NAPA VALLEY; AND, BECAUSE OF THE CONTINUAL SEA BREEZES, LOS CARNEROS COOLS OFF RELATIVELY FASTER IN THE AFTERNOON THAN OTHER PARTS OF THE NAPA VALLEY. THESE COOL OCEAN BREEZES RAPIDLY DROP THE AIR TEMPERATURE, AND, CONSEQUENTLY, THE VINE TEMPERATURE; SO THAT THE VINE DOES NOT EXPERIENCE PROTRACTED PERIODS OF HIGH AFTERNOON TEMPERATURE

THE ATTACHED TABLE ILLUSTRATES THE APPARENT TEMPERATURE DIFFERENCES BETWEEN TWO UNITED STATES WEATHER STATIONS LOCATED IN NAPA AND ST. HELENA AND INDICATES THE APPARENT MILDER WINTER TEMPERATURES IN CARNEROS AND THE COOLER SUMMER TEMPERATURES, VERSUS THE COOLER WINTER IN ST. HELENA AND WARMER SUMMERS.

THESE CLIMATIC CONDITIONS MAKE FOR A COOL GROWING
SEASON AND ALSO LENGTHEN THE GROWING SEASON SLIGHTLY. BECAUSE
OF THE COOL GROWING CONDITIONS IN CARNEROS, WE HAVE FOUND BUD
BREAK AND BLOOM TO BE APPROXIMATELY 7 TO 14 DAYS BEHIND OUR OTHER
NAPA VALLEY VINEYARDS. IT HAS ALSO BEEN OUR EXPERIENCE THAT THE
CARNEROS REGION IS TOO COOL TO ADEQUATELY MATURE CABERNET
SAUVIGNON GRAPES.

CONCLUSION. IT HAS BEEN OUR EXPERIENCE THAT THE SOIL

TYPE AND MICROCLIMATE OF THE PROPOSED CARNEROS VITICULTURAL REGION

REQUIRE CULTURAL PRACTICES DIFFERENT FROM THOSE OF OTHER PARTS

OF THE NAPA VALLEY. ALSO, THIS REGION IS MORE SUITED TO THE

EARLY RIPENING GRAPE VARIETIES, SUCH AS PINOT NOIR AND CHARDONNAY.

THESE WINES, WHEN PRODUCED AT OUR WINERY FROM CARNEROS REGION

GRAPES, ARE SIGNIFICANTLY DIFFERENT IN CHARACTER TO THOSE

PRODUCED FROM THE SAME VARIETIES GROWN IN VINEYARDS TO THE NORTH

OF CARNEROS.

WE FEEL THAT THE PINOT NOIR GRAPES ARE DIFFERENT IN THAT
THERE ARE HIGHER LEVELS OF TANNINS, AND THE RESULTING WINE COLOR
IS MORE INTENSE AND ALSO MORE STABLE. BOTH THE AROMA AND FLAVOR
ARE ALSO VERY INTENSELY VARIETAL AND HAVE A DISTINCTLY REGIONAL
CHARACTER.

THE PINOT NOIR GRAPES HAVE A VERY GOOD SUGAR/ACID

BALANCE DUE TO THE LONG, COOL GROWING SEASON, AND HAVE EXCELLENT

VARIETAL CHARACTER.

THE CHAIRMAN: ARE WE GOING TO ASK ALL THE QUESTIONS OF YOU?

A VOICE: YES. I WOULD PREFER IT THAT WAY BECAUSE PART OF MY TESTIMONY MAY ANSWER THE QUESTION.

VICTOR GALLICCHIO,

FURTHER TESTIFIED AS FOLLOWS:

WE COME TO THE HARD PART. WHERE IS LOS CARNEROS

EXACTLY? AS TO THE BOUNDARIES, IN OUR PETITION WE UTILIZED THE

REQUIREMENTS OF THE REGULATIONS; THE WESTERN BOUNDARY BEING THAT

OF THE SONOMA COUNTY-NAPA COUNTY LINE; THE NORTHERN BOUNDARY,

T.6.N./T.5.N. TOWNSHIP LINES, AND BROWN'S VALLEY CREEK, AND NAPA

CREEK; THE EASTERN BOUNDARY OF THE NAPA RIVER; AND THE SOUTHERN

BOUNDARY, THE NAPA COUNTY-SOLANO COUNTY LINE.

THE PROPOSED BOUNDARIES OF THE CARNEROS VITICULTURAL REGION HAVE BEEN ESTABLISHED UTILIZING READILY RECOGNIZABLE TOPOGRAPHICAL FEATURES ON USGS MAPS.

IN ESTABLISHING THESE BOUNDARIES BASED ON TOPOGRAPHICAL FEATURES, CERTAIN NON-PRODUCTIVE AREAS WERE INCLUDED.

LET ME STATE VERY CLEARLY BV HAS NOT LOOKED INTO ANY
OF THOSE BOUNDARIES. WE ARE WILLING TO CHANGE ANY OF THEM FOR
THE BENEFIT OF VITICULTURAL GROWING AND MAKING OF WINE. HOWEVER,
ONE THING WE WANT TO STAND PAT ON. AND THAT IS, WHATEVER LINE IS
ACCEPTED, ONE VITICULTURAL AREA CANNOT OVERLAP ANOTHER. THAT IS
OUR BELIEF, AND I WILL EXPLAIN WHY.

IT IS OUR BELIEF, TO ELIMINATE CONFUSION, THAT OVER-LAPPING OF VITICULTURAL AREAS SHOULD NOT BE PERMITTED. WHAT WE DO HERE TODAY WILL, WE HOPE, OBTAIN MORE CREDIBILITY FOR UNITED STATES WINES AND FURTHER INFORM THE CONSUMER.

MOST IMPORTANTLY, WE BELIEVE THAT THE REGION OF THE LOS CARNEROS VALLEY, LIKE THE NAPA VALLEY, BE UTILIZED WHEN A DECISION IS MADE ON THE BOUNDARIES; FOR IT IS THE RIVERS AND CREEKS WHICH ENCOMPASS THE AREA IN THE SOUTHERN PART OF THE VALLEY -- THAT IS, THE NAPA VALLEY -- WHICH PROVIDES THE VALLEY WITH THE AIR CONDITIONING EFFECT FROM THE BAY'S HEAVY RAINFALL IN WINTER, AND THE COOLING EFFECT OF THE FOG IN THE SUMMER, WHICH MAKES THIS AREA UNIQUE.

WE WILL ALL AGREE THAT THERE IS A LOS CARNEROS AREA.

THERE IS A SOIL AND A CLIMATE FAVORABLE FOR THE GROWING OF WINE

GRAPES IN THE AREA. JUST WHERE THE BOUNDARIES ARE, WE HAVE GIVEN

YOU OUR OPINION, BUT IT IS FOR YOU TO DECIDE.

IN CONCLUSION, I WILL CALL TO YOUR ATTENTION THE PIT-FALLS AND CONFUSIONS OF OVERLAPPING. WHAT DO WE DO WITH THE OVERLAPPED AREA? DOES IT HAVE THE PRIVILEGE OF ALL THE AREAS?

I CANNOT MAKE THE DECISION. ONLY YOU, THE BATF, CAN
DO THAT. I CAN ONLY ASSIST WITH TESTIMONY OF FACTS AND A
CONCLUSION OF OPINION.

THE MICROCLIMATIC VITICULTURAL AREA MUST BE TOTALLY WITHIN THE LARGER VITICULTURAL AREA TO ELIMINATE CONFUSION AND DECEPTION. AS NOTED BY THE TESTIMONY I HAVE READ, LOS CARNEROS IS WITHIN THE NAPA VALLEY HISTORICALLY.

I HAVE BEEN IN THE ALCOHOLIC BEVERAGE INDUSTRY FOR THE GREATER PART OF MY LIFE, A GREAT PART OF IT IN THE AREA OF ASSISTING IN THE FORMULATION OF REGULATIONS. THE PEOPLE HERE, THE CONSUMER, THE INDUSTRY, AND THE BUREAU ARE EXPECTED TO DRAW BOUNDARIES BASED ON SOIL, CLIMATE, AND TASTE, SOMEWHAT SIMILAR TO THOSE IN FRANCE. I CALL TO YOUR ATTENTION THAT IT IS ILLEGAL FOR THE VITICULTURAL AREAS TO OVERLAP IN FRANCE.

FOR NOW, HOWEVER, LET US TAKE ONE STEP AT A TIME -- THE IDEA THAT INITIAL CONSTRUCTIVE STEPS ARE NECESSARY TO WALK THROUGH THE MAZE OF CONFLICTING IDEAS AND DESIRES. I URGE THE BATF TO ACCEPT THE BOUNDARIES AS PROPOSED.

FROM THE HEARING YESTERDAY, I BROUGHT UP A COUPLE OF NOTES AND DID NOT HAVE TIME TO PUT IT IN THE FORMAL PRESENTATION.

BUT I WOULD SAY THAT, IN FRANCE, THE HISTORY THAT MADE BURGUNDY WHAT IT IS--MEDOC, ALSACE--IS DIFFERENT. THEY HAD A SYSTEM OF LORDS OR KINGS, WHATEVER, IN THOSE AREAS. AND THAT AREA DELIGHTED IN GRAPE GROWING. THEY ALL WORKED FOR THE BURGUNDY FAMILY.

IN THE UNITED STATES, WE STARTED WITH THE COUNTRY AND

COUNTIES. I BELIEVE WE SHOULD MOVE THAT ON AND NOT INTERJECT IT.

NOWHERE IN THE NAPA VALLEY PETITIONS DID ANYONE SAY THAT CARNEROS

WAS NOT IN NAPA VALLEY. NOWHERE IN THE SONOMA HEARINGS YESTERDAY

DID ANYONE SAY THAT CARNEROS WAS IN SONOMA VALLEY.

SO I THINK THAT IT IS APPARENT FROM WHAT WAS SAID AT THOSE TWO HEARINGS THAT CARNEROS IS WITHIN THE NAPA VALLEY.

ON THE QUESTION YESTERDAY ABOUT BUENA VISTA, AGAIN I
SAY FOR BEAULIEU VINEYARDS, WE HAVE NO DESIRE TO EXCLUDE OR
INCLUDE THAT LINE. BATF MIGHT DECIDE THAT LINE, WHETHER IT SHOULD
X OUT BUENA VISTA VINEYARD THAT IS IN THAT ONE LITTLE SPOT OF
NAPA VALLEY. WE HAVE NO OBJECTION TO IT. JUMPING, WE DO OBJECT
TO THE ONE-TIME THEORY BECAUSE OF THE FACTS THAT WHAT WOULD
HAPPEN WITH A PERSON IN BETWEEN THOSE AREAS? TO ME WE WOULD HAVE
MORE CONFUSION TO THE CONSUMER THAN WE HAVE TODAY.

THANK YOU. ANY QUESTIONS?

THE CHAIRMAN: YOUR POSITION ON THE OVERLAP IS CLEAR.

I AM NOT SURE IF I UNDERSTAND YOUR POSITION AS IT RELATES TO A

VINEYARD THAT A BOUNDARY MAY CROSS THROUGH. DO YOU HAVE A POSITION
ON THAT?

MR. GALLICCHIO: NONE. NOT AS LONG AS THE NAPA VALLEY'S WESTERN BOUNDARY IS THE SAME. IF I MAY. FROM THIS TOPOGRAPHICAL MAP, ONE SQUARE IN, I BELIEVE, IS A -- NO. THIS IS SEVEN AND A HALF. THIS AREA HERE. I AM NOT SURE EXACTLY ON THIS MAP HOW BIG IT IS. BUT THE COUNTY LINE FOR NAPA GOES RIGHT STRAIGHT THROUGH DOWN THE SAME AS THIS.

THE REASON WE USE THIS LINE IS BECAUSE WE WANT THIS

VITICULTURAL AREA TO BE WITHIN THE NAPA VALLEY. HOWEVER, IF YOU

WILL MOVE THE NAPA VALLEY APPELLATION DOWN THE ROAD OF LAS AMIGAS

1 DOWN THE DUHIG ROAD AND ACROSS THE RAMAL ROAD TO INCLUDE THIS ONE LITTLE SECTION HERE OUT OF NAPA VALLEY APPELLATION, WE WILL HAVE 2 3 NO OBJECTION IF YOU WOULD X IT OUT OF THIS. THE CHAIRMAN: TO YOUR KNOWLEDGE, DOES THIS LINE CROSS 4 THROUGH ANY EXISTING VINEYARDS? 5 MR. GALLICCHIO: NOT TO MY KNOWLEDGE. I DON'T KNOW. 6 7 DO YOU KNOW, DIMITRI? A VOICE: NO, I DON'T. 8 9 MR. GALLICCHIO: DOES ANYONE HERE KNOW? 10 A VOICE: WHICH AREA? MR. GALLICCHIO: OKAY. THIS ONE. YES. IT DOES GO 11 THROUGH BUENA VISTA HERE. I THOUGHT I EXPLAINED THAT THE BUENA 12 VISTA ONE WAS THE ONLY ONE I KNEW OF THAT WE WERE GOING THROUGH 13 WITH THE COUNTY LINE. THAT IS WHY I SAY, IF YOU WANT TO X THEM 14 OUT OF BOTH THE NAPA VALLEY AND THE CARNEROS, I WOULD HAVE NO 15

OBJECTION.

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THE CHAIRMAN: WHAT WOULD YOU POSITION BE FOR THE OTHER WAY?

MR. GALLICCHIO: GOES THE OTHER WAY? YOU COULD GO OUT TO HERE. I COULD CARE LESS PROVIDED IT IS SOLID AND NAPA VALLEY GOES THE SAME WAY.

MR. GRAHAM: IN OTHER WORDS, WHAT YOU ARE SAYING IS
THAT, AS LONG AS THE CARNEROS IS WITHIN THE NAPA VALLEY VITICULTURAL AREA THAT HAS NOT BEEN DECIDED UPON YET.

MR. GALLICCHIO: THAT'S CORRECT. I DO NOT KNOW WHAT HAS BEEN PROPOSED BY THE BATF TO THE TREASURY AND WHETHER IT HAS BEEN SIGNED BY THE TREASURY. IT IS NOT PUBLIC. AND I DO NOT KNOW WHERE THAT LINE IS.

THE CHAIRMAN: IN OTHER WORDS, YOU WOULD NOT WANT US TO EXPAND THE CARNEROS REGION ACROSS THE COUNTY LINE IF THE NAPA VALLEY REGION IS NOT ACROSS THE LINE.

MR. GALLICCHIO: THAT'S CORRECT. I REQUEST THAT THE CARNEROS VITICULTURAL REGION STAY TOTALLY WITHIN THE NAPA VALLEY VITICULTURAL AREA. AND WHEREVER THOSE LINES ARE, WE HAVE NO OBJECTION TO IT. AND, AGAIN, IT IS TO FURTHER THIS TYPE OF LABELLING. IT IS VERY INFORMATIVE. LOS CARNEROS REGION OF NAPA VALLEY. AGAIN ON OUR BACK LABELS, IT TELLS YOU WHAT IS IN THE BOTTLE, NO MATTER WHAT; WHEN IT WAS PICKED ON SOME OF IT, THE DRY SAUVIGNON BLANC, FOR INSTANCE.

THE CHAIRMAN: WOULD YOU EXPAND AS MUCH AS YOU CAN ON THE REASON WHY THERE SHOULD NOT BE OVERLAPPING.

MR. GALLICCHIO: I THINK THE ONE WORD. CONFUSION.

WHAT DO YOU DO WITH THE GRAPES GROWN IN THE OVERLAPPED AREA AND
YOU SEND ONE DAY TO SONOMA AND ANOTHER DAY TO LOS CARNEROS FOR

LABELLING PURPOSES? A CONSUMER PICKS UP A BOTTLE, HE TAKES IT,

"WELL, THIS IS THE SAME AS THEIRS," OR "THIS IS THE SAME AS THAT."

"WHAT'S THE DIFFERENCE?" WE ARE TRYING TO SHOW A DIFFERENCE. WE

ARE TRYING TO EDUCATE THE PEOPLE OF WHERE THIS STUFF COMES FROM.

WE THINK WE GOT MORE DISTANCE WITH RUTHERFORD, BUT THIS COMES FROM
RUTHERFORD. WE WOULD LIKE SOME DAY MAYBE TO GET A RUTHERFORD

VITICULTURAL AREA. BUT WHERE THOSE BOUNDARIES ARE, I HAVEN'T GOT
THE SLIGHTEST IDEA. BUT, THEN, ON THE BACK LABELS WE SAY THEY

COME FROM OUR RUTHERFORD VINEYARD, SO THE CONSUMER WILL KNOW THIS
IS RUTHERFORD AND THIS IS LOS CARNEROS.

AND SEEING THAT YOU WOULD NOT ACCEPT A TASTE TESTING AND A LITTLE CHEESE --

MR. GEORGE: MR. GALLICCHIO, I HAVE SEVERAL QUESTIONS 1 2 ABOUT YOUR PROPOSAL. PERSONALLY, I SORT OF FAIL TO SEE WHERE THE COUNTY LINE WOULD CHANGE THE VITICULTURAL PRACTICES. I CAN SEE 3 YOUR CONCERN ABOUT YOUR LABELLING, BUT I REALLY DO NOT SEE WHAT 4 5 EVIDENCE YOU HAVE THAT THE CLIMATE AND VITICULTURAL PRACTICES ON ONE SIDE OF THE COUNTY LINE ARE DIFFERENT THAN THE OTHER. 6 MR. GALLICCHIO: I DID NOT SAY IT WAS. ALL I AM 7 SAYING IS THAT THE CLIMATE AND THE SOIL AND THE WEATHER CONDITIONS 8 9 FOR NAPA VALLEY ARE THE SAME AS LOS CARNEROS. 10 MR. GEORGE: IN YOUR LABEL THAT YOU GAVE US. THE LOS CARNEROS REGION FOR THE NAPA VALLEY, PINOT NOIR, YOUR WESTERN 11 BOUNDARY FOR LOS CARNEROS IS ROUTE 121. WHERE IS THAT ON THE MAP? 12 MR. GALLICCHIO: THAT WAS ASKED OF ME WHEN I SUBMITTED 13 THAT. MR. GRAHAM REQUESTED THAT BECAUSE OF THE MAP THIS IS MADE 14 FROM, THAT WE PHOTOGRAPHED. YOU COULDN'T PUT A LITTLE EMBLEM 15 WHERE ACTUALLY LOS CARNEROS WAS BECAUSE IT WOULD COVER THE THING, 16 SO WE MOVED IT A LITTLE BIT TO THE WEST. 17 TO ANSWER THE QUESTION, THIS IS SOUTH OF HIGHWAY 121. 18 HIGHWAY 121. THIS IS HIGHWAY 121. 19 MR. GEORGE: TO ME, IT IS HIGHWAY 12. 20 MR. GALLICCHIO: WELL, HIGHWAY 12 AND 121 ARE THE SAME. 21 MR. GEORGE: THEN WHERE DOES IT GO? 22 MR. GALLICCHIO: 12? 23 MR. GEORGE: 121. 24 MR. GALLICCHIO: DOWN THIS WAY. 25 SO THAT IS WHAT YOU HAVE IN YOUR LABEL MR. GEORGE:

MR. GALLICCHIO: WE HAVE THE WHOLE MAP. WE TRIED TO

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RIGHT NOW?

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SHOW THE PICTURE OF THE ATLANTIC OCEAN -- OR PACIFIC OCEAN. I'M NOT IN CONNECTICUT, THANK GOD.

THE CHAIRMAN: THAT IS A RATHER BIG VITICULTURAL AREA.

MR. GALLICCHIO: KEEP IN MIND NOT ALL OF US ARE FROM CALIFORNIA. THE PEOPLE IN CONNECTICUT, WHERE I COME FROM, DO NOT KNOW WHERE THE PACIFIC OCEAN IS, SO WE ARE GOING TO TRY TO SHOW THEM THE WHOLE GENERAL AREA ON THIS MAP.

IT WAS VERY DIFFICULT TO FIND A MAP THAT WE COULD PHOTOGRAPH FOR THAT AND GIVE, AGAIN, IN SOME DETAIL AREAS OF THE AREA. IT WAS AN INFORMATIVE TYPE OF THING THAT WE WERE TRYING TO DO.

MR. GEORGE: MAY I POSE A COUPLE OF HYPOTHETICAL QUESTIONS TO YOU. IF THE BUREAU APPROVED, FOR THE SAKE OF ARGUMENT, THE LOS CARNEROS AREA GOING OVER ROUTE 121, FOR SAKE OF ARGUMENT. --

MR. GALLICCHIO: GOING OVER?

MR. GEORGE: THIS IS JUST A HYPOTHETICAL QUESTION. AND ANYBODY WHO, SAY, WAS IN THE SONOMA SIDE OF THE LINE COULD LABEL THEIR WINE THE LOS CARNEROS REGION OF SONOMA VALLEY; ANYBODY ON THE NAPA SIDE, PROVIDING THEY GREW THE GRAPES THERE, COULD SAY THE LOS CARNEROS REGION OF THE NAPA VALLEY -- HOW WOULD THAT GO OVER?

MR. GALLICCHIO: NO OBJECTION.

MR. GEORGE: NO OBJECTION TO THAT CONCEPT?

MR. GALLICCHIO: NO.

MR. GEORGE: SECOND QUESTION. SAY WE DECIDED TO FOLLOW A POLICY OF EXCLUDING THE LOS CARNEROS AREA FROM EITHER ONE, THE NAPA VALLEY VITICULTURAL AREA OR THE SONOMA VALLEY PROPOSED

1 VITICULTURAL AREA. HOW WOULD YOU FEEL ABOUT THAT? 2 MR. GALLICCHIO: WELL, I DON'T KNOW IF YOU CAN DO THAT. 3 MR. GEORGE: TRUE. 4 MR. GALLICCHIO: YOU PRESENTLY HAVE IN YOUR REGULATIONS 5 THAT, IF YOU CONTAIN MORE THAN ONE VITICULTURAL AREA, YOU HAVE TO 6 STATE PER CENT. SO WHAT WE HAVE ON THE LABEL. THE LOS CARNEROS 7 VITICULTURAL AREA, 100 PER CENT, AND NAPA VALLEY, 100 PER CENT --8 AS I CAN TODAY PUT DOWN NAPA VALLEY, CALIFORNIA, UNITED STATES, 9 WHICH IS ON MOST -- A LOT OF LABELS. THIS ONE, RUTHERFORD, NAPA 10 COUNTY, CALIFORNIA. WE ARE STATING PLACES. WE ARE TRYING TO 11 INFORM THE CONSUMER OF HOW -- WHERE THIS COMES FROM. 12 MR. GEORGE: FOR THE SAKE OF ARGUMENT, IF YOUR VINEYARDS 13 WERE LOCATED IN SONOMA COUNTY, YOU WOULD HAVE NO OBJECTION, HYPOTHETICALLY, IF BEAULIEU HAD A LABEL THAT SAID THE LOS CARNEROS 14 15 REGION OF THE SONOMA VALLEY? 16 MR. GALLICCHIO: IF WE HAD IT THERE. 17 MR. GEORGE: IF YOU HAD ONE THERE. 18 MR. GALLICCHIO: YES. 19 MR. GEORGE: AS LONG AS THAT WAS A TRUTHFUL, ACCURATE 20 STATEMENT? MR. GALLICCHIO: YES. THIS IS THE CONCEPT WE ARE LEANING 21 TOWARDS, AND THIS IS THE CONCEPT WE WOULD LIKE TO CONTINUE WITH, 22 THAT IS, GETTING DOWN WHERE THIS ACTUALLY IS GROWN. 23 MR. GEORGE: BUT, I TAKE IT, YOU WOULD HAVE AN OBJECTION, 24 SAY, TO ANYBODY THAT WAS GROWING GRAPES, HYPOTHETICALLY, IN THE 25 26 SONOMA SIDE, TO LABEL THEIR WINE LOS CARNEROS REGION OF THE NAPA 27 VALLEY? THAT WOULD --

MR. GALLICCHIO: THAT WOULD BE DECEPTIVE.

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THE CHAIRMAN: WHAT IF THEY JUST LABELLED IT LOS CARNEROS REGION, IF THEY WERE ON THE SONOMA SIDE?

MR. GALLICCHIO: IF THEY HAD ON THE LABEL LOS CARNEROS REGION, SONOMA VALLEY, I HAVE NO OBJECTION. IT IS A TRUTHFUL STATEMENT. THE ONLY THING I AM SAYING, IF HE IS GOING TO GROW GRAPES IN A PLACE, HE SHOULD BE TRUTHFUL IN WHAT HE IS SAYING ABOUT THAT PLACE. THERE SHOULD BE NO POSSIBILITY OF DECEPTION. AND IF YOU TAKE LOS CARNEROS AND OVERLAP IT, MAKE SURE THAT YOUR REGULATIONS ARE SPECIFIC AS TO WHAT HE CAN SAY ON HIS LABEL.

FOR INSTANCE, LET ME ASK YOU THE QUESTION, WHAT WOULD HAPPEN TO BUENA VISTA, WHERE HE HAS GOT GRAPES ON BOTH SIDES? THEY ARE ALL IN CARNEROS. I THINK THAT IS AN INJUSTICE TO THAT WINERY. THEY'D HAVE TO CUT THIS LITTLE PIECE OUT.

IF I HAD A SUGGESTION, I WOULD SAY CUT THE PIECE OUT AND GIVE IT TO SONOMA VALLEY OR SONOMA VITICULTURAL AREA. WE ARE TALKING ABOUT GROWING OF GRAPES, CONVENIENCE, AND EDUCATING PUBLIC AND CONSUMER. THIS IS WHAT HE WOULD THEN KNOW.

MR. GEORGE: MR. GALLICCHIO, GETTING BACK TO THE QUESTION IF SOMEONE LOCATED ANYWHERE WITHIN THE LOS CARNEROS REGION JUST LABELLED THEIR WINE, SAY, BEAULIEU VINEYARDS, LOS CARNEROS REGION, AND THE VINEYARD MAY BE IN THE SONOMA SIDE OR THE NAPA SIDE, BUT THE ADDRESS OF THE WINERY WAS THERE -- SAY IT WAS IN EITHER SONOMA OR THE NAPA SIDE. WOULD THAT BE DECEPTIVE LABELLING, TO YOU?

MR. GALLICCHIO: I AM GOING TO HAVE TO ASK YOU TO REPEAT THAT.

MR. GEORGE: OKAY. SAY THAT THE LABEL SAID LOS CARNEROS REGION.

1 MR. GALLICCHIO: YES. 2 MR. GEORGE: AND THE VINEYARDS COULD EITHER BE IN SONOMA 3 OR IN NAPA. 4 MR. GALLICCHIO: HE WOULD STILL HAVE TO GIVE HIS 5 ADDRESS. THAT'S PART OF THE REGULATIONS, MANDATORY. 6 MR. GEORGE: TO GIVE HIS ADDRESS? 7 MR. GALLICCHIO: YES. 8 MR. GEORGE: BUT YOU WOULD NOT SEE ANY PROBLEM IF 9 SOMEONE SAID LOS CARNEROS REGION? 10 MR. GALLICCHIO: NOT AS APPELLATION ONLY, NOT AS HIS ADDRESS. HE CAN'T DO THAT. THAT'S PRESENT REGULATIONS NOW. 11 12 HERE AGAIN, TOO, WE HAVE TO SAY RUTHERFORD, NAPA VALLEY, 13 ON OUR ADDRESS, CALIFORNIA. THAT'S A MANDATORY MARK, TOO, AS 14 WELL AS THE VITICULTURAL AREA, BEING IN CONJUNCTION WITH THE 15 VARIETY. 16 MR. GEORGE: BUT YOU WANT TO BE ABLE TO LABEL YOUR 17 WINES WITH BOTH VITICULTURAL AREAS? 18 MR. GALLICCHIO: UNTIL SUCH TIME AS LOS CARNEROS BECOMES 19 MUCH MORE POPULAR THAN NAPA VALLEY. THEN WE'LL TAKE NAPA VALLEY 20 OFF. LET US FACE IT, FELLOWS. 21 THE CHAIRMAN: I AM NOT SURE I CAN HANDLE ALL THAT 22 HONESTY AT ONE TIME. 23 MR. GALLICCHIO: YOU KNOW MY INTEGRITY IS PERFECT. 24 DON'T PUT THAT DOWN. 25 MR. GEORGE: IN MR. HEINTZ'S TESTIMONY, HE MENTIONED 26 THE LOCATION OF MEMBERSHIP OF A SUBGROUP OF THE NAPA WINE GROWERS 27 ASSOCIATION THAT WAS SUPPOSED TO BE IN THE LOS CARNEROS AREA,

AND ALSO A PERSON NAMED T.B. MC CLURE. I WONDER IF WE MIGHT GET

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SOME EVIDENCE, IF POSSIBLE, ON THE LOCATION OF THESE HOLDINGS.

IT IS NOT IN MR. HEINTZ'S TESTIMONY. HE MENTIONED IT, BUT I DON'T

THINK HE GAVE US A PRECISE LOCATION WHERE THESE PEOPLE ARE.

MR. GALLICCHIO: I WOULD OFFER THAT WHATEVER INFORMATION
HE CAN FIND CAN BE OFFERED, WITHOUT ANY KNOWLEDGE ON THE PART OF
THIS TESTIMONY.

MR. HEINTZ: THERE IS A PROPERTY MAP IN THE WRITTEN
STATEMENT THAT I PREPARED FOR BEAULIEU, WHICH WAS SUBMITTED WITH
YOUR FIRST PETITION, WHICH SHOWS THE MC CLURE NAME ON IT. IT IS
VERY CLOSE TO THE STANLY VINEYARDS.

MR. GALLICCHIO: BY THE WAY, MR. SELFRIDGE'S COMMENTS
WERE WRITTEN AS IF HE SPOKE AFTER I DID. SOME OF THE MENTIONINGS
TO THE MAP ARE THINGS I SPOKE OF AFTERWARDS, SO TAKE THAT INTO
CONSIDERATION.

MR. GEORGE: THE OTHER POINT OF THE SUBGROUP OF NAPA WINE GROWERS -- MAYBE WE COULD GET MORE INFORMATION ON THAT.

MR. GALLICCHIO: IF YOU COULD GIVE US A QUESTION ON THOSE SPECIFICS, I WOULD CERTAINLY GET IT TO MR. HEINTZ, AND WE WILL HAVE IT SENT TO YOU AS BEST WE CAN.

MR. GRAHAM: MR. GALLICCHIO, DO YOU KNOW IF THERE IS
ANY INTEREST IN EXTENDING THE LOS CARNEROS REGION BY ANY GROWERS
IN THAT AREA?

MR. GALLICCHIO: YES, I DO. I BELIEVE DOMAINE CHANDON WANTS IT EXTENDED WEST.

MR. GRAHAM: ARE THERE A NUMBER OF GROWERS? DO YOU KNOW HOW MANY IN THIS AREA? HOW MANY ACRES OF VINEYARD IN THIS AREA?

MR. GALLICCHIO: THOUSANDS.

MR. GRAHAM: THOUSANDS OF ACRES?

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MR. GALLICCHIO: I DON'T RENDER AN OPINION BECAUSE I HAVE NO INTEREST AND I THINK IT WOULD BE UNFAIR TO BEAULIEU VINEYARDS TO OFFER AN OPINION OF WHERE IT SHOULD BE. I THINK I GAVE YOU OUR POSITION. IF YOU WANT TO MOVE THE LOS CARNEROS LINE, MOVE THE NAPA VALLEY LINE. BECAUSE I BELIEVE HISTORICALLY THEY ARE ONE AND THE SAME. THE EVIDENCE, I THINK, THAT WE PRESENTED HERE WAS WITHOUT A DOUBT THAT LOS CARNEROS IS PART OF NAPA VALLEY. THAT LOS CARNEROS IS -- AND, AS I SAID, YOU WOULD HAVE TO DECIDE THAT. THE MERE NO MENTION OF CARNEROS IN THE SONOMA VALLEY HEARING YESTERDAY INDICATES THAT.

THE CONTROVERSY IN THE NAPA VALLEY CONCERNING BOUNDARY ALSO EVIDENCED IT BELONGS IN NAPA VALLEY. AGAIN, THAT IS OUR ONLY POINT THAT WE WOULD LIKE TO MAKE.

MR. GEORGE: MR. GALLICCHIO, MY REFERENCE TO THE SUB-DISTRICT OF NAPA WINE GROWERS ASSOCIATION WAS ON PAGE 5 OF THE LAST PARAGRAPH OF MR. HEINTZ'S TESTIMONY. IF WE COULD GET JUST MAYBE A LITTLE MORE INFORMATION, IF POSSIBLE, ON THAT.

MR. GALLICCHIO: BILL, WILL YOU TAKE CARE OF THAT.

MR. HEINTZ: YES.

MR. DEVINEY: I HAVE ONE QUESTION.

MR. GALLICCHIO: NOT MINE.

MR. DEVINEY: OKAY. I DON'T HAVE ANY QUESTIONS.

MR. GALLICCHIO: I AM ON THE OTHER SIDE.

MR. MINTON: MR. GALLICCHIO, YOU STATED THAT LOS CARNEROS HAS HISTORICALLY AND TRADITIONALLY BEEN PART OF NAPA VALLEY. I THINK WE ARE GOING TO HEAR SOME TESTIMONY THAT THIS AREA IN SONOMA COUNTY WEST OF YOUR LINE HAS BEEN CONSIDERED PART OF LOS

CARNEROS. DO YOU DISAGREE WITH THAT?

MR. GALLICCHIO: I DON'T DISAGREE THAT LOS CARNEROS WAS AT ONE TIME PART OF SONOMA BECAUSE WHEN GENERAL VALLEJO CAME IN HERE, HE MADE THE HEADQUARTERS IN SONOMA. THAT IS WHERE HE LIVED. ALL HIS FARMING WAS OUT OF THAT POINT. SO IT WAS CONNECTED TO THE RANCHO AT SONOMA.

BUT AS TIME WENT ON, AS HISTORY DEVELOPED, AS THE SHEEP
THAT -- LOS CARNEROS MEANS LITTLE SHEEP -- LEFT WAY FOR FRUIT AND
THEN TO GRAPES, IT BECAME NAPA. SO HISTORICALLY, IT DOES BELONG
TO NAPA.

MR. MINTON: YOU THINK THE NAME THROUGH THE YEARS
BECAME IDENTIFIED WITH NAPA?

MR. GALLICCHIO: I THINK YOU DID A LITTLE MORE RESEARCH THÂN I DID, BUT GO AHEAD.

MR. MINTON: WHAT I AM TRYING TO SAY IS, I THINK, IF
THIS ENTIRE AREA INCLUDING SONOMA IS IDENTIFIED WITH LOS CARNEROS,
ARE YOU TRYING TO SAY THAT THE AREA IN SONOMA IS MORE IDENTIFIED
WITH NAPA VALLEY THAN WITH SONOMA VALLEY?

MR. GALLICCHIO: NO. I SAY THAT THE COUNTY LINE,
BECAUSE OF HISTORY, BECAUSE OF YOUR REGULATIONS AND HOW WINE HAD
TO BE MADE, HOW IT HAD TO BE LABELLED -- FORCED THE COUNTY OF
SONOMA TO STAY IN SONOMA, AND THE NAPA VALLEY -- OR THE NAPA
COUNTY GRAPE GROWING STAYED IN THE NAPA VALLEY. BECAUSE THE
COUNTY LINE HAS HISTORICALLY BEEN THE SEPARATING POINT FOR
REGULATIONS. AND I THINK THAT THAT SHOULD BE CONTINUED.

MRS. KIRK: I JUST HAVE ONE QUESTION THAT GOES BACK TO
THE SOUTHERN BOUNDARY AND WHY YOU DREW IT WHERE YOU DREW IT. THE
HISTORIAN TESTIFIED --

1 MR. GALLICCHIO: WE DID NOT WANT TO GO INTO SOLANO 2 COUNTY, AND THE WATER AT HIGH TIDE COULD VERY WELL MOVE UP TO THAT 3 LINE. 4 MRS. KIRK: WAS YOUR BASIC REASON THAT IT WAS NOT IN 5 NAPA VALLEY? 6 MR. GALLICCHIO: YES. YES. THE WATER LINE DOWN THERE 7 IS VERY CHANGEABLE WITH THE WINTER RAINS. 8 MR. MINTON: YOU SAY THAT YOU WANT NAPA -- LOS CARNEROS 9 TO BE WITHIN NAPA VALLEY. YET, THE NAPA VALLEY PROPOSAL DOES NOT COME DOWN TO THE COUNTY LINE ON THE SOUTH. 10 11 MR. GALLICCHIO: WHERE DOES IT GO INTO? 12 MR. MINTON: IT COMES DOWN THROUGH NAPA SLOUGH, WHICH 13 IS NORTH OF THE COUNTY LINE. SO WHY DID YOU COME DOWN TO THE 14 COUNTY LINE ON THE SOUTH? 15 MR. GALLICCHIO: I MADE A MISTAKE. 16 THE CHAIRMAN: THAT IS TWICE HONESTY IN THE SAME DAY. 17 MR. GALLICCHIO: YOU KNOW ME. I AM VERY HONEST. THAT'S 18 BEEN MY MOTTO FOR YEARS, AND WE ALL KNOW IT. TRUTH IN LABELLING. 19 MR. GEORGE: JUST ONE SHORT QUESTION, MR. GALLICCHIO. YOU ARE SOUTH OF THE LINE OF SOLANO COUNTY, YOU SAY. 20 MR. GALLICCHIO: YES. 21 MR. GEORGE: IS THERE ANY GRAPE-GROWING AREA THERE? 22 MR. GALLICCHIO: NONE. NONE WHATSOEVER. IT'S MOSTLY 23 24 MARSH LAND, FROM WHAT I SAW DOWN THERE. I DON'T THINK EVEN CATTLE GO DOWN THAT FAR. IT WAS A CONVENIENT LINE. AGAIN, BY 25 26 REGULATIONS, WE HAD TO USE LINES. WE COULD HAVE USED THE WATER, 27 BUT I DIDN'T WANT TO GET INTO SONOMA -- OR SOLANO. RATHER.

THANK YOU. THIS IS YOUR LAST CHANCE, FELLOWS.

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THE CHAIRMAN: MR. JAMES CARTER.

JAMES CARTER,

ON BEHALF OF SEBASTIANI VINEYARDS, TESTIFIED AS FOLLOWS:

MY NAME IS JAMES T. CARTER. I AM THE WINEMAKER AT SEBASTIANI VINEYARDS, SONOMA, CALIFORNIA.

IT IS INTERESTING TO NOTE THAT SEBASTIAN HAPPENS TO OWN VINEYARDS IN SOUTHERN SONOMA VALLEY AND ALSO HAS ABOUT 100 ACRES OF BARE GROUND IN THE PROPOSED CARNEROS REGION. SO WITH THAT AS A FRAMEWORK TO WORK WITH, WE WILL GO ON FROM THERE.

SEBASTIANI'S POSITION AT THIS TIME IS THAT, BASICALLY, BECAUSE THERE ARE MANY QUESTIONS ABOUT OVERLAP, THAT THE SONOMA VALLEY PETITION AND THE NAPA VALLEY PETITION SHOULD BE DECIDED BY THE BATF BEFORE WE GET INTO THOSE SUBREGIONS AND START TO CARVE OUT SMALLER PIECES AND SMALLER MICROCLIMATES. BASICALLY, THE PROPOSAL BY BY AND THE SPEECHES WERE VERY FACTUAL. THE SOIL AND THE WEATHER DOWN THERE ARE VERY UNIQUE. THE BRICK WALL OF NAPA COUNTY LINE EXISTS IN MINDS, ANYWAY, BECAUSE NAPA VALLEY IS RIGHTFULLY PROUD OF THEIR WINES AND THEIR GRAPE-GROWING DISTRICT. BUT, IN FACT, THE CLIMATIC REGION EXTENDS TO THE WEST AND INTO THE LOWER SONOMA VALLEY. AND THE SAME SITUATION OF CLIMATE, SOIL, SAME SOIL SERIES, SAME SAN PABLO BAY, SAME SALT AIR -- ALL EXIST ACROSS THE LINE INTO SONOMA VALLEY.

WITH REGARD TO THE OVERLAP, I TALKED EXTENSIVELY
YESTERDAY ABOUT OVERLAPPING, THAT IT MAKES SENSE FROM A VITICULTURAL POINT OF VIEW. AND MR. DE TAR OF SOLANO COUNTY ON MONDAY
SAID THAT THE POLITICAL BOUNDARIES DO NOT KNOCK OFF VITICULTURAL

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AREAS. THIS IS THE SAME CASE IN THE SONOMA VALLEY PORTION OF THE CARNEROS DISTRICT.

THE BV LABEL SHOWING BOTH SONOMA COUNTY AND NAPA VALLEY IS VERY INFORMATIVE AND SHOWS VERY CLEARLY THE CARNEROS DISTRICT, WHICH EXTENDS ACROSS THE COUNTY LINE AS, BASICALLY, THE BOTTOM HALF OF THE COUNTIES OF BOTH NAPA AND SONOMA EXTENDING TO THE BAY. AND SO THE PROBLEM WITH CONFUSION OF OVERLAP.

I CAN SEE THE BEAULIEU'S POSITION OF WANTING TO MAINTAIN NAPA VALLEY UNDER A LABEL UNTIL THE CARNEROS BECOMES BETTER KNOWN. BUT FROM A VITICULTURAL POINT OF VIEW, FROM A TRUTH-IN-LABELLING POINT OF VIEW, THERE WOULD BE MORE CONFUSION BY SLICING IT AT THE COUNTY LINE THAN BY DRAWING A NICE CIRCLE CLEAR ACROSS THE BOTTOM THAT INCLUDES ALL THE LAND AND CLIMATE AREA THAT REALLY IS A CARNEROS DISTRICT AND HAS VERY DISTINCT WINES OF HIGH QUALITY AND SHOULD BE A VITICULTURAL AREA.

BUT, I THINK, OUR POSITION WOULD BE, LET US DECIDE SONOMA VALLEY AND NAPA VALLEY FIRST, AND YOUR POSITION ON OVER-LAPPING, AND GO ON FROM THERE.

MR. GEORGE: MR. CARTER, IF THE BUREAU WAS TO EXTEND

THE LINE OVER INTO SONOMA VALLEY, WHERE WOULD YOU SUGGEST WE DRAW

THE WESTERN BOUNDARY?

MR. CARTER: THE WESTERN BOUNDARY PROBABLY WOULD EXTEND

OVER -- YOU KNOW, IT WOULD HAVE TO BE APPLIED FOR, BUT OVER TO

121, WHERE IT CUTS DOWN TOWARDS SEARS POINT. THAT, BASICALLY, IS

THE END OF THE GRAPE-GROWING AREA. AND FURTHER WEST, YOU ARE INTO

A RACE TRACK AND INTO MOUNTAINOUS AREAS.

IN SOME FUTURE CLAIMS, SOMEONE MIGHT CHOOSE TO PLANT GRAPES IN THE TOLAY CREEK AREA, BUT THERE ARE NO GRAPES THERE.

MR. GEORGE: WHAT ABOUT THE SOUTHERN BOUNDARY AND THE PORTION YOU PROPOSE IN SONOMA COUNTY?

MR. CARTER: PROBABLY GO DOWN WITH THE SONOMA VALLEY, SOUTHERN BOUNDARY, ACTUALLY, INTO THE BAY. SO FOLLOW 121 DOWN THROUGH TUBB'S ISLAND INTO THE BAY. SO IT WOULD MATCH UP WITH SONOMA VALLEY AT THE BOTTOM.

MRS. KIRK: WOULD YOU HAVE ANY EVIDENCE THAT THE NAME OF YOUR PROPOSED EXTENSION HAS BEEN KNOWN AS LOS CARNEROS?

MR. CARTER: AS LOS CARNEROS? I THINK IN THE CURRENT WINE PRESS THERE IS THE <u>CONNOISSEUR'S GUIDE TO WINE</u>. I THINK WE HAVE A COPY OF IT HERE IN THE CROWD. THAT SHOWS THE SONOMA VALLEY SMALLER MICROCLIMATE AREAS. AND THEN THE BOTTOM OF IT IS LOS CARNEROS. IT IS COMMONLY KNOWN THAT GENERAL VALLEJO CAME DOWN THAT WAY THROUGH THE CARNEROS.

THE HISTORY RUNS THE OTHER WAY, FROM SONOMA TOWARDS

NAPA, RATHER THAN FROM NAPA INTO SONOMA. IN OTHER WORDS, WE WILL

DESCRIBE AS WAS DESCRIBED BY MR. GALLICCHIO. SO THE HISTORY RUNS

THE OTHER WAY, THROUGH LOS CARNEROS.

MR. MINTON: TO YOUR KNOWLEDGE, DO YOU HAVE ANY
WINERIES IN SONOMA USING SONOMA GRAPES FROM THIS AREA WHO HAVE
TRIED TO REFERENCE ON THEIR LABELS TO THE LOS CARNEROS REGION?

MR. CARTER: TO MY KNOWLEDGE, NO ONE HAS PUT OUT A

LOS CARNEROS WINE FROM SONOMA COUNTY OR FROM SONOMA VALLEY.

SEBASTIANI VINEYARDS HAS HAD VINEYARDS IN THAT AREA -- IT DEPENDS

ON WHERE YOU DRAW THE NORTHERN BOUNDARY -- BUT IN THE AREA WE

WOULD CALL LOS CARNEROS, SINCE 1971. AND AT SOME TIME, WE WOULD

PROPOSE TO USE THAT NAME BECAUSE THAT IS WHERE THE GRAPES ARE

GROWN.

MR. GEORGE: MR. CARTER, THE QUESTION ON THE NORTHERN
BOUNDARY. IF WE HAD TO TALK ABOUT A LOS CARNEROS REGION IN SONOMA
VALLEY, WHERE WOULD THE NORTHERN BOUNDARY BE?

MR. CARTER: IF WE DREW THE LINE FROM NAPA COUNTY

ACROSS, WE WOULD GO RIGHT THROUGH THE TOP OF SONOMA CITY, RIGHT

THROUGH BOYES HOT SPRINGS, WHICH, IN OUR ESTIMATION, OR MY

ESTIMATION -- WHAT IS ONE MAN'S OPINION? -- WOULDN'T MAKE SENSE

THAT FAR UP.

THERE IS PROBABLY A P.G. AND E. POWER EASEMENT SOMEWHERE NORTH OF HIGHWAY 121 WHERE THE SOILS SEEM TO CHANGE AND ITS GEOGRAPHY CHANGES. SOMEWHERE WHERE THE TIDAL INFLUENCE IN SONOMA CREEK CEASES TO BE A FACTOR WOULD BE THE CHANGE. IT IS ABOUT, SAY, THREE OR FOUR MILES ABOVE HIGHWAY 121. MAYBE LESS THAN THAT. A MILE.

THE CHAIRMAN: COULD YOU SHOW ME THAT.

MRS. KIRK: AND COULD YOU, FOR THE RECORD, MAKE SPECIFIC PINPOINTS TO IT.

MR. CARTER: OKAY. THERE IS REALLY NO ROAD THAT CUTS

ACROSS IT NICELY. IT WOULD BE SOMEWHERE IN THAT AREA HERE, AND

THERE IS REALLY NO ROAD. IT IS A POWER EASEMENT, AND THERE IS NO

WELL-DEFINED ROAD THAT CUTS ACROSS THROUGH THE WHOLE AREA.

IF YOU GO UP AS HIGH AS WATMAUGH ROAD, IT IS TOO FAR UP.

IT CUTS ACROSS A POWER LINE THROUGH THIS AREA. GENERALLY, IT IS

VERY DIFFICULT TO DESCRIBE WITHOUT GOING THROUGH TOWNSHIP LINES.

THERE IS NO ROAD, NO DISTINCT PROPERTY LINES THAT MARK. BUT THE

AREA CHANGES. BUT IT IS DIFFICULT.

AGAIN, WE ARE NOT PROPOSING WHAT IT SHOULD BE. WE ARE SAYING, LET US GET THE TWO VALLEYS SQUARED AWAY FIRST, AND THEN

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COME BACK AND PRESENT PROPOSALS FOR LOS CARNEROS.

THE CHAIRMAN: THANK YOU VERY MUCH.

(BRIEF RECESS.)

THE CHAIRMAN: MR. GALLICCHIO HAS ASKED FOR A FEW SECONDS, I GUESS, OR A FEW MINUTES.

VICTOR GALLICCHIO,

TESTIFIED FURTHER AS FOLLOWS:

I WAS CONFRONTED DURING THE BREAK THAT I WAS CONFUSING IN SOME OF MY STATEMENTS THAT WE ARE VERY MUCH OPPOSED TO OVER-LAPPING.

WE ARE VERY MUCH OPPOSED TO OVERLAPPING UNDER THE PRESENT THINKING OF REGULATIONS; THAT IS, THAT, IF YOU ARE WITHIN, LET US SAY, THE NAPA VALLEY, THEN IT HAS TO BE NAPA VALLEY DESIGNATION; AND, IN THE SONOMA VALLEY, SONOMA VALLEY. IF THE VITICULTURAL AREA, LOS CARNEROS, IS PERMITTED ON ITS OWN AND IT OVERLAPS BOTH COUNTIES, THEN WE ARE AGAINST THE OVERLAPPING. IF IT IS PERMISSIBLE TO PUT BOTH VITICULTURAL AREAS ON THE LABEL, THEN I AM NOT OPPOSED TO OVERLAPPING. IS THAT QUESTION CLEAR?

THE CHAIRMAN: I THINK I WAS CLEARER BEFORE.

MR. GALLICCHIO: WHAT I AM TRYING TO SAY IS THAT, IF DOMAINE CHANDON WANTS TO PRODUCE A WINE LABELLED CARNEROS VITICULTURAL AREA, CARNEROS REGION, SONOMA, WITH THIS VINEYARD, AND DOMAINE CHANDON WANTS TO PRODUCE A WINE THAT SAYS LOS CARNEROS REGION, NAPA VALLEY, AND IS PERMITTED, I HAVE NO OBJECTION TO OVERLAPPING.

> THE CHAIRMAN: THAT IS HOW I UNDERSTOOD YOU BEFORE. MR. GALLICCHIO: WELL, SOME OF THE PEOPLE DID NOT.

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THE CHAIRMAN: THANK YOU.

MR. GEORGE: MR. GALLICCHIO, I HAVE JUST A SHORT QUESTION ABOUT THAT. IF A WINEMAKER WOULD DECIDE TO USE JUST LOS CARNEROS ALONE, AND WE APPROVED, THAT WOULD OVERLAP INTO BOTH COUNTIES, HOW WOULD YOU FEEL ABOUT THAT?

MR. GALLICCHIO: I WOULD HAVE TO SAY THAT I WOULD HAVE TO APPROVE BECAUSE THAT IS THE REGULATION. BUT I THINK THERE IS A POSSIBILITY HERE OF SOME DECEPTION BECAUSE LOS CARNEROS IS NOT KNOWN. IT IS REFERENCED TODAY WITH NAPA VALLEY. THAT IS ONE OF THE REASONS I AM AGAINST THE OVERLAPPING. BECAUSE LOS CARNEROS, UNLESS IT IS SPECIFICALLY STATED SONOMA, COULD BE INTERPRETED AS BEING NAPA VALLEY. AND I THINK THIS WAS BROUGHT OUT AT THE LAST HEARINGS. THERE IS NO MENTION OF LOS CARNEROS IN SONOMA VALLEY. THERE IS NO MENTION EVER THAT I CAN REMEMBER IN THE 15 YEARS THAT I HAVE LIVED IN THAT AREA, THAT AREA BEING THE BAY AREA, THAT SONOMA PAPERS OR WHATEVER HAS REFERENCED LOS CARNEROS IN RELATIONSHIP TO SONOMA. I MIGHT BE WRONG. I MIGHT HAVE MISSED ONE, BUT, BASICALLY LOS CARNEROS IS IN NAPA VALLEY TODAY AND SINCE 1933, WHEN THE REGULATIONS WERE ENTERED.

THE CHAIRMAN: THANK YOU.

MR. WILMER NORD.

WILMER NORD,

ON BEHALF OF DOMAINE CHANDON, TESTIFIED AS FOLLOWS:

MY NAME IS WILMER NORD, DIRECTOR OF VITICULTURAL OPERATIONS FOR DOMAINE CHANDON, A MAJOR PRODUCER OF PREMIUM SPARKLING WINE IN NAPA VALLEY.

DOMAINE CHANDON HAS EXTENSIVE VINEYARD HOLDINGS IN NAPA

AND CARNEROS. FROM MY TEXT, I WOULD LIKE TO JUST TAKE ONE
MOMENT TO REFERENCE OUR CARNEROS HISTORICAL DOCUMENTATION, WHICH
YOU HAVE FROM THE NAPA VALLEY HEARINGS. AND IN OUR WORK THAT WE
HAVE DONE IN LOOKING AT BOUNDARIES, WE HAVE DOCUMENTED THAT THE
COUNTY LINE OR THE POLITICAL LINE BOUNDARY CHANGED. IN 1850-51,
THERE WAS A CHANGE; 1872, A REDEFINITION; 1910, ANOTHER
REDEFINITION. AND THEN, EVEN AS LATE AS AFTER BUENA VISTA
PURCHASED SOME PROPERTY IN THE CARNEROS AREA, THE TAX ASSESSORS
GOT TOGETHER AND DID SOME LINE DEFINITION, AND THE COUNTY LINE
BETWEEN SONOMA AND NAPA COUNTIES TODAY IS NOT THE SAME AS THE
USGS MAP THAT IS FREQUENTLY REFERRED TO AS THE COUNTY LINE. AND
THESE BOUNDARY CHANGES ARE SHOWN IN THE CALIFORNIA COUNTY
BOUNDARIES, CALIFORNIA HISTORICAL SURVEY COMMITTEE, BERKELEY,
CALIFORNIA, HISTORICAL SECTION.

I WOULD ALSO LIKE TO PREFACE THAT DOMAINE CHANDON IS

ANOTHER VINEYARD WHERE WE WOULD HAVE VINES THAT WOULD BE ON BOTH

SIDES OF A GIVEN, QUOTE, LINE. IF YOU WERE TO USE A TAX ASSESSOR'S

GUIDELINES OR THE USGS LINE, THEN OUR ROWS DON'T HAPPEN TO RUN

THE SAME DIRECTION.

THERE IS NO DOUBT THAT CARNEROS HAS HISTORICALLY BEEN
ASSOCIATED WITH NAPA. CARNEROS GRAPES ARE MENTIONED IN NAPA
VITICULTURAL HISTORY AS EARLY AS 1873. THE TWO NAMES ARE STRONGLY
LINKED, IN OUR VIEW.

BECAUSE BATF HAS NOT YET PUBLISHED ITS DECISION ON THE NAPA VALLEY APPELLATION, I OBJECT TO THE PRESENT DISCUSSION OF A CARNEROS APPELLATION AS PREMATURE. THE AREA SHOULD NOT BE CONSIDERED UNTIL THE NAPA BOUNDARIES ARE SETTLED. WE, THEREFORE, RESPECTFULLY REQUEST THAT FURTHER CONSIDERATION OF THE CURRENT

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PETITION TO DEFINE A CARNEROS APPELLATION BE DEFERRED UNTIL THE NAPA VALLEY RESULTS ARE MADE PUBLIC.

REGARDLESS OF WHEN THE SUBJECT IS DISCUSSED, WE BELIEVE THAT CARNEROS SHOULD BE CONSIDERED A SUB-APPELLATION OF NAPA RATHER THAN AN INDEPENDENT VITICULTURAL AREA. IN THE EVENT THAT THE CARNEROS PETITION IS NOT OPPOSED, WE WISH TO GO ON RECORD AS OPPOSING THE USE OF THE NAPA-SONOMA COUNTY LINE AS THE WESTERN BOUNDARY OF THE VITICULTURAL AREA.

THIS IS THE WESTERN BOUNDARY MENTIONED IN THE CURRENT PETITION. JOHN WRIGHT, PRESIDENT OF DOMAINE CHANDON, TESTIFIED IN THE APRIL HEARINGS OF NAPA VALLEY APPELLATION ON THIS SUBJECT. HE PRESENTED HISTORICAL AND GEOGRAPHICAL DATA LEADING TO THE CONCLUSION THAT THE APPROPRIATE WESTERN BOUNDARY OF THE CARNEROS. AND THEREFORE NAPA VALLEY VITICULTURAL AREA, IS NOT THE COUNTY LINE. THE LOGICAL BOUNDARY LIES FURTHER WEST AT THE INTERSECTION OF ROUTE 21 AND THE SOUTHERN PACIFIC RAILROAD.

RATHER THAN TAKE MORE TIME REPEATING MR. WRIGHT'S PREVIOUS TESTIMONY, WE WOULD LIKE TO INCORPORATE BY REFERENCE IT INTO THE RECORD AT THIS HEARING. UNLESS YOU WOULD LIKE TO HAVE THAT.

THE CHAIRMAN: WE ARE IN ACCORD.

MR. NORD: THIS IS MR. JOHN WRIGHT'S REFERENCE OF HIS PRESENTATION AT THE NAPA VALLEY APPELLATION HEARINGS.

THE CHAIRMAN: THAT WILL BE EXHIBIT NO. 3.

MR. NORD: I MIGHT ALSO MENTION THAT OUR FEELING IS THAT THE RAILROAD, AS FAR AS THE SOUTHERN BOUNDARY -- AND THAT WAS DEFINED IN SOME OF THE OTHER LINES -- WOULD BE ONE OF THE MORE LOGICAL LINES TO USE BECAUSE OF THE REYES SERIES SOILS. THE

1 SURVEYORS, WHEN THEY LAID OUT THE RAILROAD, I FEEL IN WORKING 2 3 4 5 6 7 8 9 10 11

AND STUDYING THE AREA, GROWING GRAPES THERE, DID AN EXCELLENT JOB. THEY KNEW WHERE THE TRANSITION OF SOILS WERE, AND THEY HAD TO JUST COME TO THE LINE OF THE HAIRE SERIES TYPE SOILS. AND THE REYES SERIES SOILS LIE TO THE SOUTH OF THE SOUTHERN PACIFIC RAILROAD, WHICH THE REYES SERIES SOILS ARE A VERY HIGH ACID WITH TIDAL INFLUENCE IN THE SUBSTRATA OF THE SOIL. AND, RATHER THAN GET IT CONFUSED WITH TRYING TO GO TO THE BAY, SINCE THERE ARE NOW HAY LANDS FORMING, BUT IT IS NOT VITICULTURAL LAND, I WOULD FEEL THAT THE RAILROAD BOUNDARY WOULD MAKE AN EXCELLENT LOGICAL LINE THAT WOULD BE EASILY VISIBLE. AND I DO NOT THINK THAT THERE WOULD BE ANY CONFLICT FROM PEOPLE AS TO USING THAT AS A SOUTHERLY BOUNDARY.

THAT IS THE END OF MY TESTIMONY. THANK YOU.

THE CHAIRMAN: MR. NORD, YOU SAID THAT THE BOUNDARY LINES HAD BEEN CHANGING SINCE 1910. WHICH WAY AND HOW MUCH DID THEY CHANGE?

MR. NORD: THEY HAVE CHANGED ALL THE WAY FROM USING THE UPPER -- LET ME GO TO THE MAP.

THE CHAIRMAN: PLEASE DO.

MR. NORD: IF YOU TAKE ROUTE HIGHWAY 121 AS A REFERENCE POINT, AND, USING THIS ROUTE -- USING A TERM YESTERDAY, THE HUICHICA VALLEY DIVIDING FROM THE SONOMA VALLEY -- THE LINE BASICALLY CAME -- HAS COME THIS DIRECTION AND SWUNG TOWARD THE HUICHICA CREEK IN THIS AREA. THIS IS ONE OF THE EARLIER 1972 SECTIONS OF WHERE THE SURVEY SHOWS THE AREA TO BE.

SO, BASICALLY, I WOULD SAY THAT THE LINE IS VARIED BETWEEN A POINT IN HERE SOMEWHERE -- I DON'T HAVE EXACT SURVEY STAKES OF WHERE THAT WOULD BE BECAUSE IT'S ALL DEGREE MARKS USING

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A REFERENCE POINT OF THE UPPER HUICHICA VALLEY IN HERE -- AND THEN COMING TOWARD THE SONOMA AREA, AND THEN IT IS THEN MOVED -- IT IS NOW -- THIS LINE IS THE MOST EASTERLY LINE THAT THE USGS MAP THERE -- THE COUNTY LINE DID FLOAT BACK THIS WAY, AND NOW, AS WE DEFINE THE COUNTY LINE, IT WOULD COME DOWN IN A LINE LIKE THIS. SO THIS IS THE AREA OF DIFFERENCE HISTORICALLY.

THE CHAIRMAN: THANK YOU.

MR. DEVINEY: I HAVE ONE QUESTION. WITH THAT VARIATION, WOULD THAT PUT ALL OF YOUR HOLDINGS WITHIN NAPA COUNTY?

MR. NORD: YES, THAT WOULD.

MR. MINTON: WHICH VARIATION? I MEAN, WHERE THE --

MR. NORD: IF WE WERE TO TAKE WHERE THE -- SAY THE 1872 TYPE BOUNDARY OF WHERE IT HAD BEEN THE WESTERLY LINE AT ONE TIME, THE COUNTY LINE WOULD HAVE SHOWED NAPA.

MR. MINTON: WHAT ABOUT THE LINE ACCORDING TO THE COUNTY TAX ASSESSORS?

MR. NORD: IT IS COUNTY TAX ASSESSORS' LINE THAT WOULD STILL DIVIDE OUR PROPERTY. THE 1980 NAPA COUNTY TAX ASSESSOR LINE WOULD COME JUST A LITTLE BIT TO THE EASTERLY SIDE OF SKAGGS ISLAND ROAD, IF YOU HAVE THAT AS A REFERENCE POINT IN LOOKING AT MAPS.

THE CHAIRMAN: WOULD THE OLD COUNTY LINE DO ANYTHING TO REALLY FURTHER CLARIFY OR COMPROMISE THE SITUATION? WOULD THE OLD COUNTY LINE BE ANY BETTER THAN THE NEW COUNTY LINE IN DEALING WITH THE LOS CARNEROS, SONOMA VALLEY, NAPA VALLEY SITUATION?

MR. NORD: THAT ONE LINE, IF YOU WERE TO TAKE THE AREA FROM ARROWHEAD MOUNTAIN AND COME DOWN THE RIDGE LINE FROM STORNETTA'S -- THERE WOULD BE A LINE THAT WOULD NOT HAVE ANY

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    PROPERTIES THAT WOULD BE SPLIT BY THAT LINE AS TO IF THAT'S A
    PROBLEM OF WHERE YOU HAVE TWO PROPERTY HOLDINGS ON BOTH SIDES OF
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    THE POLITICAL BOUNDARY.
              MR. MINTON: WOULD THAT AREA INCLUDE ANY OTHER GROWERS
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    BESIDES DOMAINE CHANDON?
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              MR. NORD: THAT WOULD INCLUDE BUENA VISTA VINEYARDS.
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              MRS. KIRK: I HAVE A QUESTION. HAS YOUR PROPERTY, THE
    VINEYARDS, YOUR WINERY ALSO BEEN SPLIT BY THE COUNTY LINE?
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              MR. NORD: YES.
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              MR. MINTON: HOW LONG HAVE YOU OWNED THE PROPERTY IN
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    SONOMA COUNTY?
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              MR. NORD: THE PURCHASES WERE MADE IN 1973-74.
              MR. MINTON: AND, AS I REMEMBER, IT IS ABOUT 640 ACRES?
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              MR. NORD: THAT'S CORRECT.
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              MR. MINTON: AND THAT IS IN SONOMA COUNTY?
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              MR. NORD: RIGHT.
              MR. MINTON: AND HOW MUCH OF THE PROPERTY IS IN NAPA
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    COUNTY?
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              MR. NORD: 440. AND WE ARE IN THE TRANSACTION OF SOME
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    MORE PROPERTY ACQUISITION. THE 640 -- 200 ACRES ARE TAXED AS NAPA
    COUNTY.
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              MR. MINTON: ARE ANY OF THE PROPERTIES PLANTED RIGHT
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    NOW?
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              MR. NORD: YES.
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              MR. MINTON: WITH VINES? HOW MANY ARE THEY?
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              MR. NORD: THE FULL 200 ACRES OF THAT 240.
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              MR. MINTON: THAT ARE IN NAPA COUNTY?
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MR. NORD: RIGHT.

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MR. MINTON: AND IS THE PART OF THE PARCEL IN SONOMA COUNTY PLANTED?

MR. NORD: YES.

MR. MINTON: HOW LONG HAS IT HAD VINES ON IT?

MR. NORD: SINCE 1974 OR '75.

THE CHAIRMAN: MR. NORD, THANK YOU VERY MUCH.

MR. JOHN MERRITT.

JOHN MERRITT,

ON BEHALF OF SONOMA VALLEY VINTNERS ASSOCIATION, TESTIFIED AS FOLLOWS:

MY NAME IS JOHN MERRITT. I AM WITH GUNDLACH-BUNDSCHU WINERY. MR. CRAWFORD COOLEY WILL MAKE A STATEMENT FOR THE SONOMA VINTNERS ASSOCIATION TODAY, AND I AM NOT ENTIRELY SPEAKING FOR THE WHOLE ASSOCIATION TODAY, AS THEY HAVE ONLY A MINOR INTEREST IN THIS AREA; THAT IS, THAT THEY FEEL THE NAPA AND SONOMA COUNTY -- OR NAPA AND SONOMA VALLEY BOUNDARIES SHOULD BE DETERMINED BEFORE A SUB-APPELLATION LIKE THE CARNEROS REGION SHOULD BE CONSIDERED.

I THINK THAT, BEFORE WE CAN INTELLIGENTLY ADDRESS THE PROBLEMS WHICH WE ALL RECOGNIZE IN ESTABLISHING THESE AREAS, WE MUST HAVE SOME GROUND RULES REGARDING OVERLAPPING AREAS. AND EVEN WHERE THEY DON'T OVERLAP, WHERE THEY MEET -- HOW ARE WE GOING TO DETERMINE WHERE ONE AREA ENDS AND THE NEXT ONE BEGINS? AND I DO NOT THINK THERE HAS BEEN A GOOD ENOUGH SOLUTION PROPOSED TO ANSWER THIS PROBLEM YET, SO IT IS DIFFICULT TO ACCURATELY PLOT ON A MAP AN AREA LIKE CARNEROS WHERE, BY ALL THE TESTIMONY WE HAVE HEARD SO FAR TODAY -- AND I WILL EXPAND ON ANOTHER VITICULTURAL

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I KNOW THAT THE BUREAU HAS ASKED FOR SPECIFIC TESTIMONY ABOUT WHAT TO DO ABOUT OVERLAPPING AREAS, AND I THINK THAT I HAVE A PROPOSAL THAT I WOULD LIKE TO MAKE THAT IS COMPATIBLE WITH ALL OF YOUR REGULATIONS WHICH YOU CURRENTLY HAVE. WE HAVE AN AREA THAT WE CALL "A", WHICH COULD BE LIKE SONOMA VALLEY, AND "B", LIKE THE NAPA VALLEY. OF COURSE, THIS IS JUMPING AHEAD BECAUSE WE HAVE NOT EVEN FIRMLY ESTABLISHED THAT NAPA OR SONOMA VALLEYS CAN BE WITHIN THE NORTH COAST REGION THAT HAS BEEN PROPOSED. WE ASSUME THAT THIS IS GOING TO BE PERMITTED. BUT WE DON'T REALLY KNOW THAT IT IS GOING TO BE PERMITTED TO HAVE A SMALLER AREA WITHIN A LARGER AREA.

IF NORTH COAST IS CONSIDERED, BOTH OF THESE AREAS ARE WITHIN THAT AREA ENTIRELY. SO THE QUESTION HAS NOT BEEN ANSWERED. IF WE HAVE A RUTHERFORD HERE IN NAPA VALLEY, THIS VITICULTURAL AREA OVERLAPS THE NAPA VALLEY VITICULTURAL AREA, AND I DON'T THINK THE QUESTION HAS BEEN ANSWERED WHETHER OR NOT THIS WILL ACTUALLY BE PERMITTED.

I THINK IT SHOULD BE PERMITTED. I THINK THAT THE EXAMPLE GIVEN BY MR. GALLICCHIO IN THE TWO DIFFERENT WINES PRODUCED, BOTH WITHIN THE NAPA VALLEY, WHICH I THINK ALL OF US AGREE CAME FROM THE NAPA VALLEY, ARE VERY DIFFERENT WINES. AND I THINK THAT THIS SHOULD BE ALLOWED, BUT IT HAS NOT BEEN RULED THAT IT WILL BE ALLOWED.

IN GOING ON TO THE PROBLEM WE ARE LOOKING AT A LITTLE BIT RIGHT NOW AND A PROBLEM THAT WAS TOUCHED ON YESTERDAY WITH THE MAYACMAS AREA, WHICH PROBABLY IS GOING TO BE PROPOSED -- AND THE BUREAU WILL HAVE TO MAKE A RULING ON IT AT SOME POINT. I

HAVE NO DOUBT IT IS GOING TO BE PROPOSED, WHICH WILL IN FACT CUT

IF THERE IS A MAYACMAS AREA THAT IS PROPOSED UP HERE
THAT COMES THROUGH SONOMA COUNTY -- OR SONOMA VALLEY, QUITE
PROPERLY IT WILL EXTEND INTO NAPA COUNTY, NAPA VALLEY FROM THE
VITICULTURAL POINT OF VIEW.

NOW, IF NAPA VALLEY IS ALREADY AN ESTABLISHED

VITICULTURAL AREA, YOU ARE PUTTING SOMEONE IN THE POSITION -- AND

THERE ARE IN FACT WINERIES THERE. TO NAME SOME, I BELIEVE THERE

IS A MAYACMAS, ALSO, VEEDER CREST, MOUNT VEEDER WINERY. THERE

ARE VINEYARDS ESTABLISHED FAIRLY EXTENSIVELY IN THE MAYACMAS

MOUNTAIN RANGE THAT ARE IN BOTH THE MAYACMAS AND IN NAPA VALLEY.

THE SAME IS TRUE ON THE SONOMA COUNTY SIDE OF THE LINE.

THERE ARE VINEYARDS WHICH ARE VERY SIMILAR THAT ARE IN BOTH

COUNTIES. THE POLITICAL BOUNDARY DOES NOT INTERRUPT THE VITI
CULTURAL AREA. BUT, FOR EXAMPLE, THIS LITTLE WINERY UP HERE THAT

IS RIGHT NOW IN NAPA VALLEY -- I DON'T THINK YOU ARE GOING TO BE

VERY SUCCESSFUL IN CONVINCING HIM -- CERTAINLY YOU CAN DO IT -
THAT HE IS NOT IN NAPA VALLEY ANY MORE AFTER HE HAS ALREADY BEEN

TOLD HE IS IN NAPA VALLEY.

THE LOGICAL SOLUTION TO THIS IS INCLUDING THE MAYACMAS IN NAPA VALLEY WHEN THAT WILL BE PROPOSED. AND I DON'T THINK THAT ANY OF US DOUBT THAT IT WILL BE PROPOSED. WITH THE AREA THAT WE ARE LOOKING AT RIGHT NOW IN THE CARNEROS REGION, WHICH I WILL PUT DOWN HERE AND CALL "C" THERE HAS BEEN, IN THE TESTIMONY GIVEN ON WHICH I WILL EXPAND LATER, NO DOUBT THAT THIS IS A PRETTY SHAKY BOUNDARY, IF THIS IS THE COUNTY LINE, IN TERMS OF THE WESTERN BOUNDARY FOR LOS CARNEROS.

WE ARE ALL AWARE OF THE PROBLEMS THAT WE HAVE RIGHT
NOW WHERE THIS COUNTY LINE GOES THROUGH EXISTING VINEYARDS. AND
WE REALLY HAVE NOT COME UP WITH A SOLUTION TO THAT YET, HOW THESE
VINEYARDS ARE GOING TO BE IN ONE AREA OR THE OTHER AREA. AND YET,
WE JUST CANNOT LEAVE THEM IN NO AREA. THEY ARE CLEARLY ASSOCIATED
WITH BOTH NAPA AND SONOMA VALLEYS.

WHAT I WOULD PROPOSE IS, WHEREVER THIS BOUNDARY LINE
BETWEEN THE NAPA VALLEY AND SONOMA VALLEY IS FINALLY DECIDED,
WHEREVER THE NORTHERN BOUNDARY OF CARNEROS IS DECIDED, AS WELL AS
THE BOUNDARIES ON THE SIDES -- RIGHT NOW, ASSUMING BOTH THE
SONOMA VALLEY AND THE NAPA VALLEY ARE APPROVED, ANYTHING THAT IS
85 PER CENT, I BELIEVE, WITHIN THAT AREA, WITHIN THIS AREA COULD
BE LABELLED "A." SO "A" MUST BE 85 PER CENT "A" TO BE LABELLED
"A," OR SONOMA VALLEY.

"B" LIKEWISE. ANYTHING IN THIS ENTIRE AREA WHICH IS IN THE NAPA VALLEY OR THIS AREA "B" IN THE DIAGRAM, WOULD BE 85 PER CENT "B."

WITH REGARDS TO THE AREA "C," THE CARNEROS AREA THAT
WE ARE ALLUDING TO, ANYTHING THAT WAS WITHIN THIS CARNEROS AREA,
WHEN AND IF IT IS ESTABLISHED, COULD BE "C," AND WOULD HAVE TO BE
85 PER CENT "C" TO EQUAL CARNEROS.

THAT WOULD COVER VINEYARDS THAT WERE ANYWHERE WITHIN

THIS GROWING REGION THAT WE ALL AGREE IS SIMILAR, AND WE ALL

AGREE IT IS STILL PART OF NAPA VALLEY AND PART OF SONOMA VALLEY,

OR PART OF "A" AND PART OF "B." A WINE COULD BE LABELLED, THEN,

IF IT WAS 85 PER CENT "B," NAPA VALLEY, AND, ALSO, 85 PER CENT

"C."--SO IT WOULD COME FROM THAT QUADRANT--IT COULD BE LABELLED

BOTH "B" AND "C." IT WOULD HAVE THE QUALIFICATIONS FOR BOTH AREAS.

AND I DON'T THINK THIS WOULD BE A BIG PROBLEM IN LABELLING BECAUSE, AS HAS BEEN POINTED OUT, WE CAN HAVE THE UNITED STATES, WE CAN HAVE CALIFORNIA, WE CAN HAVE NAPA COUNTY, WE CAN HAVE NAPA VALLEY.

AND, BASICALLY, THESE ARE ALL TRUTHFUL STATEMENTS. AND TO LABEL

A WINE THAT IS 85 PER CENT "B" AND 85 PER CENT "C" AS C-B, OR

CARNEROS - NAPA, WOULD BE A TRUTHFUL STATEMENT.

TO LABEL A WINE "C," IF IT ALL CAME FROM WITHIN THIS REGION, BOTH "B" AND "C," AND TO LABEL IT JUST A "C," WOULD AGAIN BE A TRUTHFUL STATEMENT.

WE ARE CERTAINLY GOING TO HAVE TO EXPLAIN TO CONSUMERS WHAT WE ARE DOING, BUT THIS WOULD CONFUSE THEM MUCH LESS THAN IF WE SAY ABSOLUTELY IT HAS TO BE NAPA - CARNEROS, OR IT HAS TO BE SONOMA, - CARNEROS, OR SOMETHING LIKE THAT. I THINK THAT WOULD BE THE CLEAREST SOLUTION, AND THESE WOULD BE TRUTHFUL STATEMENTS.

THIS GOES ON. YOU HAVE TO HAVE 85 PER CENT "A" AND 85
PER CENT "C" TO CALL THIS "A" PLUS "C," OR SONOMA-CARNEROS. BUT
THIS WOULD PROVIDE A SOLUTION IN THIS AREA. IT WOULD PROVIDE A
SOLUTION IN THE AREA OF THE MAYACMAS, WHICH WE ARE ALREADY
DISCUSSING, AND MOST LIKELY TO BE APPLIED TO PROBLEMS THAT, I AM
SURE, YOU ARE GOING TO MEET IN THE FUTURE IN CONSIDERING
APPLICATIONS FOR VITICULTURAL AREAS.

IT MUST MEET ALL OF THESE STANDARDS, AND IT MUST BE A TRUTHFUL STATEMENT, WHICH THIS WOULD BE.

THE CHAIRMAN: DON'T PUT THAT DOWN YET.

MR. MERRITT: I AM GOING TO OFFER THAT UP.

WITH REGARD TO THE PETITION WE ARE CONSIDERING TODAY, I
THINK THAT THE PETITION DOES NOT ADEQUATELY ANSWER THE QUESTIONS
WHICH ARE SPECIFICALLY ASKED IN THE ESTABLISHMENT OF AMERICAN

VITICULTURAL AREAS. I DON'T THINK THAT IT HAS BEEN CLEARLY
ESTABLISHED THAT THE NAME OF THE VITICULTURAL AREA IS LOCALLY OR
NATIONALLY KNOWN AS REFERRING TO THE AREA: SPECIFIED IN THE
APPLICATION.

FURTHER, THE HISTORICAL OR CURRENT EVIDENCE THAT THE BOUNDARIES OF THE VITICULTURAL AREA ARE AS SPECIFIED IN THE APPLICATION -- AGAIN, SAME PROBLEM. THIS HAS NOT BEEN ADEQUATELY ADDRESSED.

RELATING TO THE GEOGRAPHICAL FEATURES, I BELIEVE THAT
AN EXCELLENT JOB HAS BEEN DONE IN POINTING OUT THAT THE PROPOSED
AREA IS DIFFERENT FROM THE REST OF NAPA VALLEY. THE SAME CLIMATE.
THE SAME SOIL TYPES. THE SAME ARGUMENT APPLIED TO THE SOUTHERN
END OF SONOMA VALLEY. IT IS CLEARLY PART OF NAPA VALLEY, OR TENDS
TOWARDS THE NAPA VALLEY IN ONE WAY. IT TENDS TOWARDS THE SONOMA
VALLEY IN THE OTHER WAY. BUT THERE CLEARLY IS AN AREA AT THE
SOUTHERN END OF THE NAPA AND SONOMA VALLEYS THAT IS A UNIQUE
VITICULTURAL AREA, I BELIEVE. IN SPITE OF ALL THESE THINGS I AM
SAYING, I DO BELIEVE THERE IS AN AREA DOWN THERE WHICH IS UNIQUE.
THE PROBLEM WITH THE PETITION IS THAT, WHILE IT MAKES A VERY GOOD
CASE FOR SEPARATING CARNEROS OR MAKING CARNEROS A UNIQUE PART OF
THE NAPA VALLEY, IT MORE OR LESS IGNORES THE SAME FEATURES WHICH
EXIST -- VIRTUALLY THE IDENTICAL FEATURES WHICH EXIST ON THE

IT HAS NOT SATISIFED WHAT IS ASKED FOR IN THE ESTABLISH-MENT BY THE BUREAU IN THAT IT DOES NOT DISTINGUISH THE VITICULTU-RAL FEATURES OF THE PROPOSED AREA FROM THE SURROUNDING AREA ALONG ITS WESTERN BOUNDARY. IT HAS NOT ESTABLISHED ANY DIFFERENCE. IN FACT, THERE HAS BEEN QUITE A BIT OF TESTIMONY, INCLUDING THAT BY

THE DEFENDANT, THAT THERE IS NOT A GREAT DEAL OF DIFFERENCE.

WITH REGARD TO THE HISTORY OF THIS AREA, I THINK IT IS
OF RATHER SLIGHT SIGNIFICANCE, BUT STILL SIGNIFICANT THAT HALF
THE MAPS THAT ARE PRESENTED TO SHOW THIS AREA ARE DIRECTLY
ASSOCIATED WITH SONOMA. WE HAVE TO USE THE CITY MAP OF SONOMA TO
FIT PART OF THE ENCLOSED AREA ON IT. I SHOULD USE THIS ONE OVER
HERE, WHICH HAS THE -- THIS IS ONE MAP FROM HERE OVER. TO FIT
THE PROPOSED AREA IN, WE HAVE TO USE A MAP THAT USES THE CITY OF
SONOMA. IT IS NOT VERY FAR REMOVED FROM THAT AREA.

LIKEWISE, THE BULK OF THIS AREA -- OR NOT EVEN THE BULK. A SUBSTANTIAL PORTION OF THIS AREA IS DIRECTLY RELATED TO THE SONOMA VALLEY. MUCH OF THIS AREA IN THE PAST HAS BEEN RELATED TO SONOMA. IN FACT, WE HAVE A MAP HANGING IN OUR OFFICE, WHICH WAS DONE BY JACOB LEESE, WHO WAS THE U.S. SURVEYOR GENERAL. I THINK THE YEAR WAS ABOUT 1885. AND I WILL FORWARD YOU A COPY OF THIS MAP. IT IS AN ORIGINAL, AND I AM NOT QUITE SURE HOW WE ARE GOING TO COPY IT, BECAUSE WE ARE VERY PROTECTIVE OF THIS, BUT IT SHOWS THE ORIGINAL AREA THAT IS PROPOSED, MOST OF IT -- IN FACT, THE ENTIRE HUICHICA LAND GRANT. THE MAP ENDS RIGHT ABOUT HERE. THIS IS ALL ASSOCIATED WITH SONOMA.

A GREAT DEAL OF THE AREA THAT IS BOUNDED BY THESE
BOUNDARIES IS MADE UP OF THE HUICHICA LAND GRANT, WHICH ACTUALLY
THE CARNEROS LAND GRANT ENDED OVER HERE. AND YOU FIND VERY FEW
VINEYARDS IN THE LOS CARNEROS LAND GRANT TODAY, ALTHOUGH THIS AREA
IS STILL KNOWN ALL THROUGH HERE AS CARNEROS LOCALLY.

SO WE WILL PRESENT TO YOU DEFINITE EVIDENCE THAT THIS ENTIRE AREA HAS BEEN RELATED TO SONOMA VALLEY JUST AS MUCH AS THIS AREA HAS BEEN RELATED TO THE NAPA VALLEY. MANY OF THE NAMES

THAT WERE MENTIONED IN MR. HEINTZ'S TESTIMONY, I KNOW, ARE ON THIS MAP AS PROPERTY HOLDERS.

IF YOU WANTED TO REGISTER A PIECE OF PROPERTY IN THAT
AREA OVER HERE, WHICH IS IN NAPA COUNTY NOW, AT THAT TIME, AND
YOU WANTED THAT PROPERTY IN YOUR NAME, YOU HAD TO GO TO SONOMA
TO DO IT. YOU DID NOT GO TO NAPA TO DO IT. IF ANY OF THE
HUICHICA AREA IS INCLUDED IN THIS, AND THAT INCLUDES GOING UP TO
ABOUT HERE AND AROUND THE PUEBLO LANDS OF SONOMA OVER TO THIS
AREA, FROM THAT SECTION OVER THERE, EVENTUALLY IT BECOMES
PETALUMA. THIS ENTIRE AREA SHOULD BE INCLUDED FOR THE SAME
REASONS THAT THIS AREA IS INCLUDED. IT WOULD BE ILLOGICAL
HISTORICALLY TO INCLUDE JUST THIS AREA AND IGNORE THE FACT THAT
THIS AREA EXISTS.

I ALSO FEEL THAT I KNOW QUITE A BIT ABOUT THIS AREA

BECAUSE I HAVE LIVED MOST OF MY LIFE WITHIN A MILE OF ABOUT THIS

POINT RIGHT HERE. I GREW UP IN LOVALL VALLEY, WHICH IS IN THE

DESCRIBED AREA. IT IS IN NAPA COUNTY. I WENT TO SCHOOL IN

SONOMA. YOU CAN'T GET TO THIS AREA, UNLESS YOU WALK, WITHOUT

GOING THROUGH SONOMA. ALL THE ROADS COME THIS WAY.

I BELIEVE THAT MR. HEINTZ DID POINT OUT THAT THERE WAS SOME DISPUTE ABOUT THE BORDER IN HERE. THAT DISPUTE ABOUT THE BORDER WAS ABOUT WHO WAS GOING TO FIX THE ROAD, NAPA COUNTY OR SONOMA COUNTY. AND I DON'T RECALL HOW MUCH IT CHANGED. I DON'T THINK IT DID VERY MUCH.

YOU CAN'T GO TO NAPA WITHOUT GOING THROUGH SONOMA.

MUCH OF THE PROPOSED AREA, AGAIN, IS DIRECTLY RELATED TO SONOMA.

A LOT OF REFERENCE IS MADE TO HAIRE SOILS. AND THIS AREA
THROUGH HERE WAS FORMERLY THE HAIRE PROPERTY. SOME OF IT IS STILL

IN THE HAIRE FAMILY, WHICH, AGAIN, CROSSES THE COUNTY LINE. MUCH OF THAT IS NOW BUENA VISTA VINEYARDS. WELL, JUDY HAIRE WENT TO SONOMA TO GO TO SCHOOL, TOO.

A LOT OF THIS AREA IS ASSOCIATED WITH SONOMA JUST AS MUCH AS IT HAS BEEN ASSOCIATED WITH NAPA. IN FACT, SOME OF OUR PROPERTY TODAY, WHICH IS IN THIS AREA, EXTENDS ACROSS THE LINE. SO, AGAIN, WE ARE COMING VERY CLOSE TO CUTTING THROUGH ANOTHER VINEYARD WITH REGARDS TO A SEPARATE DISTRICT.

WITH REGARD TO THE NAME HAIRE, REFERENCE HAS BEEN MADE

-- IN FACT, IN THE PETITION THE REFERENCE IS MADE, AND IT IS

IMPLIED THAT THE MAIN SOIL IN THE AREA -- IN FACT, ACTUALLY, I

GOT THE IMPLICATION WHEN I FIRST READ THIS THAT THE ONLY SOIL

THAT EXISTED IN THE PROPOSED CARNEROS AREA WAS THIS HAIRE-COOMBS

SOIL. IN LOOKING AT A SOIL MAP WHICH IS PUT OUT -- I FOUND THE

SOURCE. IT IS THE U.S. DEPARTMENT OF AGRICULTURE. I CAN'T

REMEMBER THE NAME OF WHAT PART OF THE U.S. DEPARTMENT OF

AGRICULTURE DID THIS. SOIL SURVEY OF NAPA COUNTY AND SOIL SURVEY

OF SONOMA COUNTY ARE BOTH PUT OUT BY U.S. DEPARTMENT OF AGRICULTURE.

I LOOKED IN THE SOIL SURVEY OF NAPA COUNTY, THE AUGUST, 1978, EDITION, AND THEY MAKE REFERENCE TO HAIRE SOILS. BUT I THINK IT SHOULD BE CLEARLY UNDERSTOOD WHERE IT HAS BEEN IMPLIED THAT MOST OF THE HAIRE SOIL IS ASSOCIATED WITH NAPA, I WOULD LIKE TO POINT OUT THAT THIS AREA HERE WAS THE HAIRE PROPERTY. THE SAMPLE WHICH ALL SOIL SAMPLES ARE BASED ON FOR HAIRE-TYPE SOILS IS WITHIN SONOMA COUNTY. SO ALL OF THE SOILS WHICH THEY ARE DESCRIBING IN NAPA ARE ACTUALLY BASED ON A SOIL TYPE FOR WHICH THE PRIME EXAMPLE -- IT IS SPECIFIED IN THE SOIL SURVEY THAT IT IS

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SO MANY FEET FROM THE WINDMILL OR SOMETHING LIKE THIS. IF YOU WANT TO IDENTIFY THIS SOIL, YOU HAVE TO GO OUT AND FIND THIS SPOT, AND THAT IS YOUR SAMPLE OF THIS SOIL.

BUT, ALSO, TO MORE CLEARLY SHOW THAT HAIRE SOIL IS VERY WELL REPRESENTED IN SONOMA COUNTY, IN FACT, THE BULK OF THE HAIRE SOIL IS IN SONOMA COUNTY. THIS IS HAIRE SOIL. THIS IS. THIS IS. AND ALL OF THIS IS HAIRE SOIL. IT COMES ALL THE WAY UP PAST PETALUMA. SO THERE CLEARLY IS A GREAT DEAL OF HAIRE SOIL LOCATED IN SONOMA COUNTY. HAIRE SOILS ARE NOT NAPA VALLEY SOILS. THEY ARE ALSO A NAPA VALLEY SOIL, BUT THEY ARE NOT ONLY A NAPA VALLEY SOIL.

IN ADDITION, IN COMPARING THE -- THIS IS TAKEN FROM A VERY BROAD MAP, AND, ACTUALLY, WHEN YOU SPEAK OF HAIRE-COOMBS OR HAIRE DIABLO, THESE TYPES OF SOILS, YOU ARE TALKING ABOUT A RANGE OF SOILS. IT IS NOT LIKE YOU ARE COMPARING BLACK SAND WITH WHITE SAND, FOR EXAMPLE. THERE IS A RANGE OF SOILS, AND IT IS NOT A VERY SPECIFIC TERM.

BUT, SO YOU WON'T BE CONFUSED -- BECAUSE I AM SURE YOU ARE GOING TO GO OVER THIS DATA VERY THOROUGHLY -- IF YOU LINE UP THE SONOMA COUNTY SOIL SURVEY WITH THE NAPA COUNTY SOIL SURVEY, NO MATTER HOW FAR DOWN YOU GO IN DETAIL IN NAPA, THEY WILL REFER TO HAIRE-COOMBS, SOMETIMES HAIRE-COOMBS-DIABLO. ON THE SONOMA SIDE, THEY WILL HAVE HAIRE DIABLO AND THEN ANOTHER ONE THAT YOU WILL OCCASIONALLY COME ACROSS THE NAME OF. THE HAIRE SOIL THAT IS IN NAPA VALLEY IS PRIMARILY HAIRE-COOMBS, BUT IT IS ONLY 20 SOMETHING PER CENT COOMBS. IT IS PRIMARILY HAIRE. AND IF YOU LINE THESE MAPS UP TOGETHER, YOU CAN ACTUALLY -- THEY HAVE GOT AERIAL SHOTS WHERE THEY HAVE GOT ALL THE SOILS DRAWN OFF IN LINES.

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AND YOU CAN FOLLOW THE LINES RIGHT ACROSS THE COUNTY LINE. ON ONE SIDE YOU LOOK IN THE SONOMA BOOK. IT CALLS IT A HAIRE DIABLO. AND THE NAPA BOOK CALLS IT THE HAIRE-COOMBS.

AS I BELIEVE MR. LIDER POINTED OUT AT THE NORTH COAST HEARINGS, THEY CHANGE NAMES DIFFERENT PLACES. BUT JUST BECAUSE THE NAME CHANGES, DOES NOT MEAN THE SOIL CHANGES. I HOPE THAT YOU UNDERSTAND, BECAUSE I DON'T. I THINK IT HAS BEEN -- I WANTED TO ESTABLISH THAT POINT ABOUT THE SOIL.

AND THE HAIRE SOILS WHICH ARE THE BASIS OF THE DEFINI-TION OF THE AREA THAT IS PROPOSED ARE ALSO A VERY GOOD REASON TO EXTEND THAT CARNEROS AREA. WHERE IS THE BOUNDARY ON THIS MAP? RIGHT ABOUT HERE. A GOOD REASON TO EXTEND IT THIS WAY BECAUSE THOSE SOILS EXTEND IN THAT DIRECTION.

FURTHER, I THINK IT WAS BROUGHT OUT -- AND I WOULD LIKE TO EMPHASIZE THE FACTS -- WHEREAS IN THE PETITION, IT DESCRIBES THE PRINCIPAL SOIL, AGAIN, AS HAIRE-COOMBS; WHEN I FIRST READ THE PETITION, I GOT THE IMPRESSION THAT THE AREA THEY WERE PROPOSING WAS MAIRE-COOMBS SOIL. IN FACT, THERE ARE SEVEN SOIL SERIES THAT ARE REPRESENTED ON THE NAPA SIDE. AND IF YOU EXAMINE A NAPA VALLEY SOIL SURVEY, YOU WILL FIND THAT THERE ARE SEVEN SOIL TYPES REPRESENTED IN THIS AREA, NOT JUST THE ONE, THE HAIRE-COOMBS. AND THAT IS A PROBLEM FOR ME A LITTLE BIT. I AM NOT QUITE SURE HOW TO ADDRESS THAT.

IN TAKING THE GENERAL IDEA OF VITICULTURAL AREAS, IF YOU TAKE NORTH COAST, YOU CAN TAKE FAIRLY BROAD TERMS IF ONE IS GOING TO DEFINE A NORTH COAST AREA. IF YOU ARE GOING TO DEFINE NAPA VALLEY OR SONOMA VALLEY, YOU CAN AGAIN TAKE FAIRLY BROAD TERMS. BUT THEY ARE MUCH MORE SPECIFIC THAN IF YOU ARE EXAMINING SOMETHING LIKE NORTH COAST.

PROPOSED CARNEROS AREA, IT SHOULD BE QUITE SPECIFIC. I DON'T KNOW HOW YOU CAN ESTABLISH WHAT IS QUITE SPECIFIC, BUT I THINK WHEN YOU GET DOWN TO A SUBREGION WHICH IS WITHIN ANOTHER VITICULTURAL AREA, THE REQUIREMENTS WHICH YOU IMPOSE UPON THE PETITIONER -- HE MUST PROVE THAT THIS AREA IS SIGNIFICANTLY DIFFERENT. AND I DON'T THINK THAT HAS BEEN DONE IN THIS CASE.

I REALLY THINK THAT IT IS PREMATURE TO CONSIDER AN AREA LIKE CARNEROS. I DON'T THINK WE REALLY HAVE THE KNOWLEDGE THAT WE NEED TO CLEARLY OUTLINE THE SIGNIFICANT VITICULTURAL AREA WHICH WE DO AGREE EXISTS. I JUST DON'T THINK WE HAVE ENOUGH KNOWLEDGE TO DRAW THE OUTLINES.

I WOULD ALSO LIKE TO POINT OUT THAT, WHILE THERE HAS NOT BEEN TOO MUCH DISAGREEMENT WITH THE EASTERN BOUNDARY THAT IS PROPOSED OR THE NORTHERN BOUNDARY, I WOULD SAY THE NORTHERN BOUNDARY AS PROPOSED GOES QUITE A BIT FURTHER UP THAN I WOULD HAVE THOUGHT CARNEROS WENT.

THE SOUTHERN BOUNDARY -- I DON'T THINK IT MAKES ANY
DIFFERENCE WHERE THE SOUTHERN BOUNDARY IS AS IT APPROACHES THE
BAY BECAUSE YOU ARE GETTING BEYOND WHERE THE SOIL HAS THE
CAPABILITY OF SUPPORTING GRAPEVINES. I WILL GO BACK OVER TO THIS
MAP.

I AM VERY RELUCTANT TODAY TO OFFER PROPOSED NEW

BOUNDARIES BECAUSE OF THE PROBLEM WHICH HAS NOT BEEN ANSWERED IN

OVERLAPPING. BECAUSE, ALSO, I DON'T THINK WE HAVE THE SPECIFIC

KNOWLEDGE THAT IS REQUIRED TO INTELLIGENTLY DRAW A LINE ANYWHERE

FOR CARNEROS. I DON'T KNOW THAT THIS IS THE UPPER END OF CARNEROS

OR NOT. I DON'T KNOW IF THAT IS CLOSE ENOUGH TO THIS TO SAY THAT THIS SHOULD BE CALLED A SUBREGION OF THE NAPA VALLEY OR A SUBREGION OF THE SONOMA VALLEY.

RIGHT NOW THAT, IF WE FOLLOW THE 5/6 TOWNSHIP RIGHT ACROSS THE CITY OF SONOMA, JUST AS IT GOES ROUGHLY ACROSS THE CITY OF NAPA, I THINK THE SAME LOGIC SHOULD APPLY TO THIS SIDE AS THIS SIDE.

I AM NOT SURE IT SHOULD BE THAT FAR NORTH. I CERTAINLY HAVE QUESTIONS IN MY MIND ABOUT INCLUDING THIS AREA THAT IS FAIRLY MOUNTAINOUS. THE END OF THE MAYACMAS RANGE, I BELIEVE IT IS.

LOOKING AT SOIL TYPES IN THIS AREA, IF THIS MOUNTAINOUS AREA WAS ELIMINATED, IT WOULD REDUCE THE NUMBER OF SOIL TYPES.

ONE COULD PROBABLY TAKE THIS AREA RIGHT HERE COMING FROM SOUTH OF THE CITY OF NAPA AROUND TO THE CITY OF SONOMA, ELIMINATING THIS HILLY REGION HERE, AND YOU WOULD FIND A CONSISTENT PATTERN OF SOILS THROUGH THIS AREA. THEY WOULD NOT GREATLY DIFFER. THEY WOULD START TO DIFFER MORE AS YOU WENT UP TOWARDS SONOMA, JUST AS THEY START TO DIFFER AS YOU GO UP TOWARDS THE CITY OF NAPA. YOU GET, TYPICALLY, MORE NAPA CITY SOILS AS YOU COME UP THIS WAY.

BUT, AGAIN, NOT ALL AT ONE TIME. SOILS DON'T END ON A LINE. THEY END AS A BLEND.

SAME WAY COMING UP THE SONOMA VALLEY. THEY END AS A BLEND. AND SOMEWHERE THROUGH HERE, YOU WOULD SEE A SIGNIFICANT CHANGE IN THE SOIL.

IF I HAVE TO OFFER A PROPOSED BOUNDARY, I AM GOING TO OFFER IT UP HERE. I DON'T THINK IT IS RIGHT, BUT, AS I UNDERSTAND IT, YOU HAVE TO GIVE AN ANSWER TO THAT PETITION, SO I AM PROPOSING THESE NEW BOUNDARIES. REALLY, I THINK IT OUGHT TO BE SOMEWHERE

DOWN HERE LOWER.

I THINK THAT ONE THING ONE MIGHT CONSIDER WITH THIS

REGION IS ELEVATION. MAYBE WE SHOULD GO SO FAR UP THESE

MOUNTAINS. FOR EXAMPLE, IF YOU GO UP TO -- I DON'T KNOW -- 250

ELEVATION OR 150-FOOT ELEVATION, THE SOIL IS GOING TO CHANGE.

ALSO, YOU ARE GOING TO RUN -- AS THE VALLEY RISES, YOU ARE GOING

TO GET A CUT-OFF FROM THIS SIDE AND A CUT-OFF ON THIS SIDE. I

DON'T THINK THAT WE KNOW ENOUGH TO KNOW WHERE TO DRAW THESE LINES

YET.

I JUST DON'T THINK THIS LINE IS RIGHT. I DON'T THINK
IT MAKES SENSE VITICULTURALLY IN TERMS OF CLIMATE, SOIL. AND I
FURTHER DON'T THINK IT MAKES ANY SENSE CONSIDERING THE HISTORY.

AND I THINK THAT THE PETITIONER AGREES AND THAT MR. TCHELISTCHEFF,
WHO PRESENTED THE PETITIONER'S POSITION ON THE SOILS IN THIS AREA,
THE CLIMATE IN THIS AREA, HAD A DIRECT QUOTE. FROM WHAT HE SAID,
IT IS THAT IT WAS CHOSEN -- THIS WESTERN BOUNDARY WAS CHOSEN TO
AVOID OVERLAPPING DISTRICTS. IT WAS NOT CHOSEN FOR THE REASONS
WHICH THE BUREAU REQUIRES IN A PETITION. IT WAS CHOSEN TO AVOID
OVERLAPPING DIVISIONS. IT DOES NOT HAVE ANYTHING TO DO WITH
VITICULTURE. IT DOES NOT HAVE ANYTHING TO DO WITH HISTORY.

BUENA VISTA VINEYARD, WHICH IS LOCATED RIGHT HERE -- I
THINK, AGAIN, AT SOME POINT YOU HAVE TO ADDRESS THE PROBLEM THAT
BOTH DOMAINE CHANDON AND BUENA VISTA OVERLAP THE BOUNDARY. AS
PROPOSED, THE NAPA-SONOMA COUNTY LINE GOES THROUGH THEIR VINEYARD.
AND THEY ARE NOT ENTIRELY WITHIN THE CARNEROS REGION. IN BUENA
VISTA'S CASE, IN PARTICULAR, YOU ARE DENYING THEM THE OPPORTUNITY
TO ESTATE BOTTLED WINES FROM THEIR VINEYARDS UNLESS THEY CALL IT
CALIFORNIA. SO HERE WE HAVE A WINERY, AND THE WINERY IS LOCATED

RIGHT ABOUT HERE. THIS ENTIRE VINEYARD IS CONTIGUOUS TO THEIR WINERY, AND YET THEY CAN'T ESTATE BOTTLE FROM THE REGION THAT THEY ARE IN IF THIS LINE GOES THROUGH THEIR VINEYARD.

ON THE OTHER HAND, I WILL USE BEAULIEU, FOR EXAMPLE.

THEIR WINERY IS UP HERE SOMEWHERE, AND THEY CAN ESTATE BOTTLE

WINES FROM THEIR VINEYARDS DOWN THERE.

A VOICE: WE CANNOT.

MR. MERRITT: IN THE NAPA VALLEY.

A VOICE: NOT -- THE VALLEY, BUT NOT CARNEROS.

MR. MERRITT: YOU CAN CALL IT A NAPA VALLEY ESTATE BOTTLED WINE.

A VOICE: BUT NOT CARNEROS.

MR. MERRITT: HERE THERE IS A WINERY THAT DOES EXIST,
THAT IS IN THIS AREA, AND ITS VINEYARDS THAT ARE CONTIGUOUS TO
THE WINERY CROSS THE COUNTY LINE. AND THEY CAN'T BE ESTATE
BOTTLED. I DON'T THINK THAT THIS IS THE INTENT OF THE BUREAU AT
ALL. AND MR. GALLICCHIO AGREED WITH REFERENCE TO BUENA VISTA,
WHERE THE COUNTY LINE DOES GO THROUGH THIS PROPERTY, THAT IT IS
ALL IN CARNEROS.

THE CHAIRMAN: ARE YOU GETTING CLOSE TO THE END?

MR. MERRITT: I AM DONE.

THE CHAIRMAN: MY 10 MINUTES IS DONE ON THAT, BUT IT
WAS INTERESTING. I AM GOING TO TRY TO DEVELOP A QUESTION. I AM
NOT SURE I AM GOING TO GET THERE.

BACK TO YOUR EXAMPLE OF A, B, AND C, WHICH IS NOT ILLOGICAL AT ALL. BUT, IF WE WERE TO ADOPT THAT, WOULD THAT SUBJECT THE WHOLE VITICULTURAL PROCESS TO CRITICISM WHEN YOU START WITH THE PREMISE THAT THE PRODUCT RESULTING FROM GRAPES

GROWN IN THAT AREA IS DIFFERENT FROM GRAPES GROWN IN OTHER AREAS?

SO, IF YOU ARE SAYING THE GRAPES GROWN IN YOUR AREA, "AC," ARE

SIMILAR TO THOSE IN "AB," SO THAT YOU COULD CALL IT THE WHOLE

THING -- I AM SORRY. "AC" AND "BC."

MR. MERRITT: RIGHT.

THE CHAIRMAN: ARE SIMILAR ENOUGH THAT YOU COULD CALL
THEM "C" IF YOU WANTED TO OR "AC," OR "BC"? DOES THAT SUBJECT
THE PREMISE OF A VITICULTURAL AREA TO CRITICISM?

MR. MERRITT: I DON'T BELIEVE IT DOES. YOU KNOW, I WILL ADMIT THAT THERE IS A PROBLEM, AND IT IS A DIFFICULT QUESTION TO POSE AS WELL AS A DIFFICULT QUESTION TO ANSWER. I DON'T KNOW WHAT THE BEST SOLUTION TO THIS IS. I DON'T THINK THAT ANYBODY ELSE HAS PROPOSED A BETTER ONE, THOUGH. THERE MAY BE A BETTER ONE.

I DON'T THINK THAT, AS LONG AS YOU MAKE A TRUTHFUL STATEMENT, YOU CAN GET IN TOO MUCH TROUBLE. I THINK THAT WE CAN PRETTY CLEARLY ESTABLISH THAT THIS AREA THAT WAS OVER HERE IN "A" TENDS TO BE SIMILAR.

WE CAN GET A TREND, I THINK, IN CLIMATE. WE CAN GET A TREND IN SOIL, WHICH MAKES THE ENTIRE AREA OF "A" THAT WAS IN THAT DIAGRAM SIMILAR. LIKEWISE WITH "B." BUT I DON'T THINK THAT ELIMINATES THE FACT THAT THE AREA "C" -- THE PORTION OF NAPA VALLEY AND SONOMA VALLEY IS ALSO A UNIQUE AREA. I DON'T THINK THAT ANY OF US DOUBT THAT THERE IS A CARNEROS AREA. I DON'T THINK ANY OF US DOUBT THAT THAT AREA EXISTS. LIKEWISE, I DON'T THINK ANYBODY DOUBTS THAT NAPA VALLEY AND SONOMA VALLEY EXIST. BUT NAPA VALLEY AND SONOMA VALLEY HAVE A COMMON BORDER FOR ALMOST -- WELL, THE WHOLE THING OF SONOMA VALLEY AND FOR A SUBSTANTIAL

LENGTH OF THE NAPA VALLEY.

LIKEWISE, I DON'T THINK THAT YOU CAN HAVE A CARNEROS
WHICH DOES NOT EXTEND PART WAY INTO SONOMA. AGAIN, I THINK IT
SHOULD BE VERY SPECIFIC WITH REGARDS TO A SUBREGION LIKE CARNEROS,
AND THAT WE SHOULD HAVE TO PRESENT VERY CLEAR AND EASY TO UNDERSTAND REASONS WHY WE ARE ESTABLISHING CARNEROS.

I DON'T THINK WE HAVE DONE THAT. I DON'T THINK I HAVE

DONE IT. I DON'T THINK THE PETITIONER HAS DONE IT. I DON'T THINK

ANYBODY HAS DONE THAT. I DO THINK THERE IS A CARNEROS, BUT I

DON'T THINK WE KNOW WHERE TO DRAW THE LINES. I REALLY THINK THAT

YOU SHOULD -- I DON'T KNOW HOW YOU CAN DO IT. I THINK THAT THIS

OUGHT TO BE REJECTED. THE PETITION SHOULD BE REJECTED WITHOUT

PREJUDICE, FOR EXAMPLE.

I DON'T KNOW WHAT YOUR PROCEDURAL LIMITATIONS ARE. I
THINK THAT WE SHOULD COME BACK TO CARNEROS IN A FEW YEARS AND
REALLY LOOK TO FIND WHERE WE CAN DRAW SPECIFIC LINES. AND IF WE
CAN CLEARLY DEMONSTRATE THAT THIS AREA OVERLAPS, I THINK THAT IT
WOULD BE UNTRUTHFUL NOT TO ALLOW IT TO. SO I DON'T THINK THAT WE
HAVE ANY -- I THINK THAT THIS ALTERNATIVE THAT I HAVE PRESENTED
HERE IS THE BEST ALTERNATIVE BECAUSE I AM SURE IT IS A PROBLEM
YOU ARE GOING TO HAVE IN OTHER AREAS. WHEREVER THESE VITICULTURAL
AREAS MEET, I THINK IT IS GOING TO HAPPEN.

THE CHAIRMAN: LET ME PLAY DEVIL'S ADVOCATE FOR A
MOMENT AND GO ON WITH ANOTHER THOUGHT. THE SAMPLES THAT MR.

GALLICCHIO BROUGHT DOWN TO ESTABLISH A DIFFERENCE BETWEEN THE
SOUTHERN NAPA VALLEY AND THE NORTHERN NAPA VALLEY DID THAT VERY
DRAMATICALLY. BUT COULD A PURIST LOOK AT THAT AND SAY, "THEN YOU
REALLY HAVE THE WRONG VITICULTURAL AREA IN NAPA VALLEY. IT IS

TOO BIG AN AREA. THERE SHOULD BE SOMETHING DIFFERENT THERE!?
COULD A PURIST HIT US WITH THAT?

MR. MERRITT: I THINK THAT MR. GALLICCHIO'S DEMONSTRATION CLEARLY SHOWED THAT THERE CAN BE DIFFERENCES. I COULD SHOW YOU DIFFERENCES WITHIN OUR OWN VINEYARD. ACTUALLY, THERE IS ONE VINEYARD WHERE THERE ARE TWO SECTIONS THAT HAVE CABERNET SAUVIGNON PLANTED ON THEM. AND I CAN SHOW YOU DIFFERENCES WITHIN THAT VINEYARD, NOT QUITE AS DRAMATIC, BUT ALMOST AS DRAMATIC. I THINK WE COULD PROBABLY DO THE SAME THING WITH PINOT NOIR GRAPES, WHICH GROW IN OUR VINEYARDS.

YOU CAN TAKE TWO VINEYARDS THAT GROW RIGHT NEXT TO EACH OTHER OR EVEN DIFFERENT PORTIONS OF THE SAME VINEYARD AND COME UP WITH DIFFERENCES LIKE THAT. AND HERE, AGAIN, WE MAY EVENTUALLY WANT TO GROW MORE OF ONE GRAPE AND MORE OF ANOTHER GRAPE. WE MAY END UP SPLITTING THE VINEYARD. WE MAY AT SOME POINT HAVE IT. IF IT'S A TRUTHFUL STATEMENT, I DON'T HAVE ANY PROBLEM WITH IT. I DON'T THINK THAT CONSUMERS WOULD.

MR. MINTON: I WOULD LIKE TO PICK UP MR. DRAKE'S

QUESTION ON YOUR DRAWING OF THIS SYSTEM. MY EARLY MATH STILL

STICKS WITH ME. IF "B" EQUALS "C," AND "A" EQUALS "C" DOESN'T

"B" EQUAL "A"? AND IN THAT CASE, WOULDN'T IT, PERHAPS BE SIMILAR

AND PERHAPS BE ONE AREA?

MR. MERRITT: I DON'T THINK SO. THAT WOULD START A WAR.

ALSO, FURTHER, IF IT IS, AND I THINK KIND OF THE WAY YOU ARE

LEADING TO IS MAYBE THIS SHOULD BE SPLIT OFF AS A SEPARATE AREA.

AND YOU CAN SEE IT ON THIS MAP.

IF YOU SPLIT THIS AREA UP HERE, I DON'T KNOW EXACTLY.

IT DOESN'T MAKE ANY DIFFERENCE. THIS IS ABOUT WHERE THAT LINE IS

DRAWN. THIS IS THE SAME MAP. IF YOU DRAW A LINE ACROSS HERE AND YOU SAY THAT NORTH OF HERE IS NAPA VALLEY AND SOUTH OF HERE IS CARNEROS, YOU ARE GOING TO MAKE AN AWFUL LOT OF PEOPLE IN THE CITY OF NAPA -- AND I WOULD NOT WANT TO DO IT AND EXPLAIN TO THEM THEY DO NOT LIVE IN NAPA VALLEY ANY MORE.

THE SAME THING ON THE SONOMA SIDE.

MR. MINTON: I THINK THEY MISUNDERSTAND WHAT WE ARE DOING HERE.

MR. MERRITT: I THINK ALL THE PARTICIPANTS IN THIS
HEARING WOULD BE LOOKED AT AS A LITTLE BIT FOOLISH IF WE TRIED TO
TELL THE PEOPLE IN THE CITY OF NAPA OR SONOMA --

MR. MINTON: WELL, WE ARE NOT TRYING TO RENAME PLACES
ON THE MAP. WE ARE TRYING TO COME UP WITH A VITICULTURAL AREA
WHICH COMES FROM SOME PLACE ON THE MAP FOR A NAME.

MR. MERRITT: I AM LOOKING AT THE DIFFERENCE BETWEEN
"A" AND "B" AND EQUALING "C."

MR. MINTON: I AM TALKING VITICULTURALLY. I REALIZE THAT HISTORICAL FACTORS MAY CALL FOR DIFFERENT NAMES. BUT IT SEEMS TO ME WITH YOUR SYSTEM, THAT IS WHAT YOU ARE SAYING.

MR. MERRITT: I DON'T THINK THAT "A" AND "B" ARE EQUAL, BUT I THINK THERE IS A BIG GRAY AREA BETWEEN "A" AND "B" IN THAT CARNEROS AREA.

MR. MINTON: OKAY. I DO NOT WANT TO BELABOR THE POINT.

MR. MERRITT: I WOULD LIKE TO HEAR A RULING BEFORE I

CAME UP TO TALK ABOUT CARNEROS, BASICALLY. I WOULD LIKE TO KNOW

WHAT THE BUREAU'S POSITION IS GOING TO BE ON OVERLAPPING AREAS

BEFORE I WANTED TO, YOU KNOW, TRY TO DRAW THE LINES ABOUT WHERE

ONE OF THESE AREAS WERE. AND I THINK THAT WE REALLY CAN'T GO MUCH

FURTHER IN ESTABLISHING VITICULTURAL AREAS UNTIL, YOU KNOW, WE HAVE SOME SORT OF A RULING.

AND I THINK IT HAS TO COME DOWN TO A RULING TO CONSIDER.

IT IS DIFFICULT TO FILE A PETITION IF YOU DO NOT KNOW HOW IT IS

TO BE CONSIDERED.

MR. GEORGE: MR. MERRITT, I BELIEVE, GETTING BACK TO
YOUR CHART THAT YOU DREW ON THE BLACKBOARD, THAT IF 85 PER CENT
CAME FROM VITICULTURAL AREA "A," AND 85 PER CENT FROM VITICULTURAL
AREA "C," YOU USE TWO DESIGNATIONS; AM I CORRECT IN THAT?

MR. MERRITT: YES. IF IT ALL CAME FROM WITHIN "B" AND WITHIN "C," IT COULD BE TWO. YES.

MR. GEORGE: SO IN OTHER WORDS, 85 PER CENT WOULD HAVE
TO COME WITHIN THE AREA "B" THAT IS CONTAINED WITHIN "C"; IS THAT
IT?

MR. MERRITT: RIGHT. TO USE TWO. AND FOR IT TO BE A TRUTHFUL STATEMENT, HE WOULD HAVE TO COME FROM HERE. THIS IS "B." AND FROM HERE, WHICH IS "C." EIGHTY-FIVE PER CENT "B" AND "C."

MR. GEORGE: IF THE BUREAU CARRIED THAT ONE STEP FURTHER AND SAID THAT, OKAY, YOU WOULD HAVE TO HAVE 85 PER CENT WITHIN "B" AND "C" OVERLAPPING AREA AND 100 PER CENT BETWEEN "B" AND "C," HOW WOULD YOU FEEL ABOUT THAT?

MR. MERRITT: BETTER. I USED THE 85 PER CENT BECAUSE I THINK THAT IS WHAT THE STANDARD RIGHT NOW IS. BUT THE 100 PER CENT -- I WOULD NOT HAVE ANY PROBLEM WITH THAT.

MR. GEORGE: ONLY 85 PER CENT WITHIN THE OVERLAPPING
"B" AND "C" AREA. THEN THE OTHER 15 PER CENT WOULD HAVE TO COME
FROM A PART OF "B" OR "C" THAT DID NOT OVERLAP THE WHOLE THING.

MR. MERRITT: I THINK 85 PER CENT IS CONSIDERED -- YOU

KNOW, I THINK THAT IT IS LOOKED ON AS, IF IT IS 85 PER CENT, THAT IS CONSIDERED TO BE A TRUTHFUL STATEMENT ABOUT WHERE THE WINE CAME FROM. YOU KNOW. IF IT WAS INCREASED TO A HIGHER PERCENTAGE, THAT I WOULD AGREE WITH.

MR. GEORGE: I WAS TRYING TO APPLY THE RULES THAT WE USE FOR MULTI-VARIETALS. I BELIEVE -- AND AL CAN CORRECT ME IF I AM WRONG -- IF YOU DISCLOSE MORE THAN ONE VARIETY WITH THE NEW REGULATIONS, THEN 100 PER CENT HAS TO BE FROM THOSE VARIETIES. I WAS EXTENDING THAT TO VITICULTURAL AREAS.

MR. MERRITT: I THINK IT COULD BE APPLIED, CONTINUED AS YOU DESCRIBED.

MRS. KIRK: I WOULD LIKE TO EXPLORE YOUR DIAGRAM, A, B, AND C.

WHERE DID YOU DRAW THE "C"? WOULD "C" INCLUDE PART OF "A" AND "B"?

MR. MERRITT: YES.

MRS. KIRK: YOU INDICATE THAT TRUTHFUL STATEMENTS WOULD NOT MISLEAD A CONSUMER. YOU ALSO STATE THAT IT WOULD BE TRUTHFUL TO SAY THAT, IF THE PRODUCT HAD 85 PER CENT "B" AND 85 PER CENT "C," IT WOULD BE TRUTHFUL TO LABEL THAT PRODUCT AS BOTH "B" AND "C." ALBEIT IT MAY BE TRUE, WOULDN'T THAT STILL MISLEAD THE CONSUMER BECAUSE PART OF "C" WOULD INCLUDE "A"?

MR. MERRITT: NO. OH. OKAY.

MRS. KIRK: IT MIGHT BE TRUTHFUL, BUT YET IT COULD -- MR. MERRITT: LET ME WRITE DOWN WHAT YOU ARE SAYING.

MRS. KIRK: OKAY. YOU HAVE A PRODUCT UP THERE THAT SAYS 85 PER CENT "B" NAPA AND 85 PER CENT "C" CARNEROS.

MR. MERRITT: THIS ONE.

MRS. KIRK: RIGHT. YOU SUGGESTED LABELLING THAT
PRODUCT AS BOTH "B" AND "C". ALBEIT TRUTHFUL, WOULD THAT NOT
MISLEAD THE CONSUMER BECAUSE "C" AS YOU HAVE DRAWN IT HERE
OVERLAPS INTO "A" SONOMA?

MR. MERRITT: OKAY. SO YOU ARE SAYING, THEN -- I THINK YOU ARE RIGHT. IT IS LIKE THE 26 PER CENT NAPA VALLEY CABERNET SAUVIGNON.

MRS. KIRK: WON'T THAT MISLEAD THE CONSUMER?

MR. MERRITT: OKAY. BECAUSE THIS COULD BE 85 PER CENT
"B" INCLUDING THAT PORTION FROM "C." LET'S MAKE IT 100 PER CENT.

TO CALL IT BOTH, YOU HAVE TO MAKE IT 100 PER CENT. I AM NOT

SAYING THIS IS THE FINAL WAY TO DO IT, BUT I THINK THIS IS A GOOD

APPROACH TO IT. AND, YOU KNOW, BOTH OF THE COMMENTS OR BOTH

QUESTIONS CONTINUE THIS IDEA, I THINK, TO SOMETHING THAT WOULD

WORK OUT. YOU KNOW. MAYBE TO USE A SUBVITICULTURAL AREA LIKE

THIS "C" WOULD BE YOU SHOULD REQUIRE 100 PER CENT TO BE FROM "C."

I THINK THAT THE PROBLEM THAT YOU PRESENT COULD BE SOLVED. I DON'T THINK WE HAVE TO SIT HERE AND GO THROUGH ALL THE VARIOUS POSSIBILITIES, BUT I THINK IT COULD BE SOLVED. THAT IS A GOOD POINT.

THE CHAIRMAN: MR. MERRITT, THANK YOU VERY MUCH.

WE HAVE GOT A DECISION POINT OF EITHER BREAKING FOR LUNCH OR GOING TO PROBABLY -- MR. COOLEY, HOW MUCH TIME?

A VOICE: JOHN SAID MOST OF IT.

THE CHAIRMAN: I WOULD LIKE TO CONTINUE BECAUSE WE
ANTICIPATE PROBABLY ANOTHER HOUR. IS THERE ANY OBJECTION TO THAT?

CRAWFORD COOLEY.

CRAWFORD COOLEY,

ON BEHALF OF SONOMA VALLEY VINTNERS ASSOCIATION, TESTIFIED AS FOLLOWS:

MY NAME IS CRAWFORD COOLEY, PRESIDENT OF THE SONOMA VALLEY VINTNERS ASSOCIATION. MY OPENING COMMENTS REPRESENT A CONSENSUS OF THAT ASSOCIATION.

I THINK WE FEEL VERY STRONGLY THAT THE NAPA AND SONOMA VALLEY APPELLATIONS SHOULD BE DETERMINED, AS ALL AREAS SHOULD BE DETERMINED, AND I THINK THEY CAN BE DETERMINED. I SEE ONLY ONE POTENTIAL CONFUSION AT ALL AT THIS MOMENT. AND THAT IS THE SO-CALLED BUENA VISTA GOING ACROSS THE COUNTY LINE. AND THAT, TO ME, IS A RELATIVELY INSIGNIFICANT PROBLEM.

THIS IS NOT TO SAY THAT I DO NOT THINK A CARNEROS
DISTRICT EXISTS. I CERTAINLY DO. BUT I THINK IT IS, AS WE HAVE
HEARD TODAY, A VERY DIFFICULT THING TO DESCRIBE, LAY DOWN ON A
MAP AT THIS TIME. I THINK WHAT IS EMERGING IS THERE ARE TWO KINDS
OF APPROACHES TO THESE THINGS. ONE IS THAT THE LARGER THE AREA
THE MORE ILL-DEFINED IT IS BY THE SPECIFICS OF YOUR CRITERIA,
WITH ONE POSSIBLE EXCEPTION. AND THAT IS THAT HISTORY AND THE
SOCIAL ASPECTS OF IT, I THINK, TEND TO DETERMINE VERY DISTINCTLY,
AND ONLY THAT ONE, THE HISTORICAL AND SOCIOLOGICAL CONSIDERATIONS.
I THINK ONLY THAT CONSIDERATION PROPERLY TAKES CARE OF A NAPA
VALLEY OR A SONOMA VALLEY.

WHAT I AM TRYING TO SAY, I THINK, OTHER THAN THE DIFFERENCES IN HISTORY, PARTICULARLY, AND SOCIOLOGICAL CURRENT ACCEPTANCE, IF YOU WILL, I THINK THERE ARE GREATER DIFFERENCES WITHIN THOSE AREAS AS TO CLIMATE, SOIL, AND SO FORTH THAN THERE ARE BETWEEN THEM. IN OTHER WORDS, I THINK YOU COULD MAKE A CASE

THAT THERE IS EVERY KIND OF SIMILAR SOILS, HEAT REGIONS, CLIMATE IN THE SONOMA VALLEY AND IN THE NAPA VALLEY. BUT THE THING THAT REALLY DISTINGUISHES THEM IS THE HISTORICAL AND SOCIAL ACCEPTANCE, IF YOU WILL, OF THE TWO AREAS.

AND I THINK THAT HOLDS FOR ANY LARGE AREA. CERTAINLY
THE FIRST DAY'S HEARING, WHERE WE HEARD VERY VOLUMINOUS TESTIMONY
ON NORTH COAST -- I THINK THAT CERTAINLY EMERGES THERE. AND,
THEREFORE, IF IT EMERGES THERE, IT ALSO HOLDS, I THINK, FOR THE
RELATIVELY LARGE BUT DISTINCT SONOMA VALLEY AND NAPA VALLEY
APPELLATIONS.

AS SOMEONE SAID, AS YOU BEGIN TO GET DOWN NOW TO SMALLER AND SMALLER AREAS, THE OTHER CRITERIA -- THE SOILS, CLIMATE, TEMPERATURE, WHATEVER THOSE CRITERIA -- I THINK, BECOME VERY MUCH MORE IMPORTANT IN ANYONE'S CONSIDERATION OF IT.

THEORETICALLY, AS THE YEARS GO ON, WE WILL PICK UP

AREAS SUCH AS THE THOUGHT OF A RUTHERFORD AREA, WHEN RUTHERFORD

IS DEFINED. IT SEEMS TO ME IT IS GOING TO HAVE TO BE DEFINED.

EVERYONE KNOWS IT IS IN THE NAPA VALLEY. OBVIOUSLY, IT WILL BE A

PIECE OF THE NAPA VALLEY, AND THE EXTENT THAT HISTORY OF NAPA

VALLEY, AS IT APPLIES TO RUTHERFORD. BUT WHEN YOU GET DOWN TO

THE SMALLER AREAS, I THINK THEY ARE GOING TO HAVE TO BE DEFINED

ON OTHER CRITERIA.

SO, HAVING SAID THAT, IT SEEMS TO ME THAT WHAT CAN BE DECIDED RELATIVELY PROMPTLY BY THE BATF IS SONOMA, NAPA VALLEYS, WITH RELATIVELY MINOR PROBLEMS WITH THE BUENA VISTA JOG, AND LEAVE TO FURTHER DISCUSSION AND DECISION MAKING AND FURTHER INPUT -- OBVIOUSLY, YOU HAVE HAD A MUCH LARGER INPUT TODAY -- THE DECISION OF A CARNEROS REGION, WHICH, BECAUSE, IN MY VIEW, IT IS

A SMALLER REGION, IT MUST BE DEFINED MORE IMPORTANTLY ON THE OTHER CRITERIA -- SOIL, CLIMATE, AND SO ON.

IN OTHER WORDS, I DID NOT HEAR ANYTHING TODAY THAT WAS OVERWHELMING IN THE HISTORY OR THE CURRENT ACCEPTANCE OF THE CARNEROS REGION AS ONE WOULD GET FROM EITHER THE DISCUSSION OF THE SONOMA VALLEY OR THE NAPA VALLEY.

I COULD SUBMIT, JUST BY WAY OF SOME DISCUSSION -- I
THINK JIM CARTER MENTIONED THIS. I HAVE ONLY ONE COPY, SO I WILL
NOT GIVE IT TO YOU. WE WILL SUBMIT IT LATER. VOLUME 4 OF THE
CONNOISSEUR'S GUIDE TO CALIFORNIA WINE. THE CLOSING DATE WAS
MARCH 25, 1979. THERE IS A BIG ARTICLE ON THE SONOMA VALLEY,
IN WHICH VITICULTURAL SUBREGIONS ARE NAMED. AND ITEM 1 IS
CARNEROS, SLASH, HUICHICA, AND IT IS THIS AREA, THE SAME AREA WE
HAVE BEEN DISCUSSING ALL MORNING, REALLY. AND THEN IT GOES ON
THROUGH EIGHT OTHER REGIONS FOR THE VALLEY.

I THINK THIS IS THE PROBLEM WE ARE FACED WITH. I WILL DEMONSTRATE IT THIS WAY. I THINK, IF YOU LOOK AT THE 1877 ATLAS OF SONOMA COUNTY, WHICH I DID THE OTHER DAY, THAT COUNTY LINE WAS WAY TO THE EAST FROM WHAT IT IS TODAY. SO IT IS GOING TO BE VERY DIFFICULT TO PICK OUT ANYTHING OUT OF HISTORY, IN MY MIND, TO EASILY SUBSTANTIATE THE CARNEROS REGION. I THINK YOU ARE GOING TO HAVE TO GO ON OTHER, MUCH MORE SPECIFIC CRITERIA.

ONE LAST COMMENT. AGAIN, WHAT IS EMERGING TO ME, IS
THAT ALL OF THESE DISTRICTS ARE BEING MADE MORE DIFFICULT BY A
LACK OF DECISIONS AS TO WHETHER OVERLAPPING IS TO BE ALLOWED OR
NOT ALLOWED. AND IT SEEMS TO ME THAT THAT IS SOMETHING THAT YOUR
GROUP IS GOING TO HAVE TO ADDRESS VERY PROMPTLY.

THERE ARE VERY FEW AREAS IN ALL OF THE STATE OF

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CALIFORNIA, FOR INSTANCE, WHERE THIS IS NOT GOING TO BE A PROBLEM.

THERE ARE SOME DISTINCT AREAS, BUT ONLY RELATIVELY FEW ACRES OF

GRAPES ARE GROWN IN A VERY WELL-DEFINED AREA BECAUSE THAT IS NOT

THE GENERAL CASE. IT IS THE EXCEPTION, IN MY JUDGMENT.

ANY QUESTIONS?

MR. GEORGE: WHAT IS YOUR POSITION ON OVERLAPPING?

MR. COOLEY: I THINK AMBIVALENT AT THE MOMENT. I THINK
YOU CAN LOGICALLY MAKE AN ARGUMENT THAT IT CANNOT EXIST. IT
DOESN'T MAKE ANY SENSE. YOU ARE EITHER IN OR OUT. YOU CANNOT BE
BOTH WAYS.

TAKING A MORE PRACTICAL VIEW OF IT, I JUST CANNOT IMAGINE CERTAIN AREAS BEING CHOPPED OUT OF NAPA COUNTY, FOR INSTANCE, OR OUT OF SONOMA COUNTY AND SAYING THAT THESE ARE ALL OF A SUDDEN A NEW DISTRICT. I THINK THAT IS GOING TO -- FROM A PRACTICAL, POLITICAL POINT OF VIEW, I THINK IT IS GOING TO BE AN EXTREMELY DIFFICULT MATTER TO PURSUE.

THE CHAIRMAN: MR. COOLEY, THANK YOU.

DALE RICCI.

DALE RICCI,

TESTIFIED AS FOLLOWS:

MY NAME IS DALE RICCI. I AM REPRESENTING MY MOTHER AND UNCLE MASANDRA, WHO IS A RICCI AS WELL, AND 480 ACRES IN SOUTH SONOMA. I LIVE AT 23200 RAMAL ROAD.

MY UNCLE, BASICALLY, HAS BEEN LIVING ON THE RICCI FAMILY'S PROPERTY FOR 67 YEARS. HE IS A RETIRED DAIRYMAN, AND WE WILL CURRENTLY BE PHASING SLOWLY INTO A VINEYARD OPERATION.

UNTIL RECENTLY, I WAS NOT REALLY CONCERNED ABOUT WHAT

APPELLATION WAS. I THOUGHT IT WAS SOMETHING SERVED ON A PLATE,
UNTIL I HAPPENED TO SEE A COPY OF THE FREEDOM OF INFORMATION ACT;
AND, ACCORDING TO HEUBLEIN, I NO LONGER LIVED IN LOS CARNEROS,
BUT ONLY LIVED IN SONOMA VALLEY.

ACCORDING TO MY UNCLE AND DEALING WITH HIS FARMING AND CULTURAL PRACTICES OVER THE PERIOD OF YEARS, HE HAS ALWAYS CONSIDERED HIMSELF TO BE IN LOS CARNEROS, DEALING, AGAIN, WITH CLIMATE, SOIL CONDITIONS, FOG INTRUSION, LONGER GROWING SEASON, AND SO FORTH.

IN THE LAST COUPLE OF YEARS, I HAVE DONE RESEARCH INTO WHAT VARIETY OF GRAPE TO PLANT AND ON SOILS AND WATERS. AND EVERY TIME I HAVE TALKED TO GRAPE CONSULTANTS, WINERIES, AGRICULTURAL ADVISERS, THE FIRST COMMENT IS ALWAYS, YES, LOS CARNEROS. SO I THINK IT IS WELL ESTABLISHED AND WELL KNOWN THAT, IN SOUTH SONOMA, I DO HAVE THE SAME CHARACTERISTICS AS WHEN YOU MOVE INTO SOUTH NAPA AREA. THE PROPERTY IS LOCATED -- ROUGHLY, AGAIN, 400 ACRES--RIGHT HERE ALONG 121 AS WE COME WEST INTO SONOMA AND DOWN RAMAL ROAD, EAST AND WEST. AND PART OF IT IS PARALLEL TO THE RAILROAD TRACKS. AS I UNDERSTAND, THE ORIGINAL RINCON DE LOS CARNEROS GRANT IS LOCATED IN THESE BOUNDARIES HERE.

AS I COMPARE THE SOIL TYPES IN THIS AREA WITH SOIL TYPES IN MY AREA, THEY ARE IDENTICAL TO THE HAIRE SERIES SOIL. IF I COMPARE IT TO ELEVATION, IT GOES FROM THE SLOUGH, THE MARSH, TO 8,100 FEET. IT IS IDENTICAL IN OUR LAND, ALSO. ZERO TO 8,200 FEET IN ELEVATION.

CHARACTERISTICALLY, THE PROBLEMS THAT THEY DEAL WITH IN GROUND WATER IN LOS CARNEROS IS IDENTICAL TO THESE PROBLEMS THAT WE HAVE DEALT WITH, MEANING LOW VOLUME, SALINE QUALITIES, AND ALSO

BORON POSSIBILITIES. SO, AGAIN, WE ARE SYNONYMOUS -- SOUTH SONOMA AND NAPA.

IF I WOULD HAVE WALKED IN DURING MR. GALLICCHIO'S
TESTIMONY, I WOULD HAVE ASSUMED THAT HE WAS TALKING ABOUT MY
PROPERTY, SOUTH SONOMA. IT IS IDENTICAL FLIP FLOP WITH REFERENCE
TO CLIMATE, SOIL, WATER. AGAIN, I DO NOT WANT TO GO OVER THESE
POINTS.

I DO THANK MR. BEAULIEU FOR PUTTING MY PROPERTY ON HIS
LABEL AS BEING IN LOS CARNEROS. I FEEL THAT AT THIS POINT A
POLITICAL BOUNDARY IS UNFAIR TO THE LANDHOLDERS OF THE AREA AND
GRAPE GROWERS. I THINK THE GUIDELINES WOULD HAVE TO BE
GEOGRAPHICAL, RELATING, AGAIN, TO SOIL, CLIMATE, AND VITICULTURAL
CHARACTERISTICS THAT WE HAVE BEEN TALKING ABOUT THIS MORNING,
AND NOT THE GEOPOLITICAL AS STOPPING AT THE BOUNDARIES. I MEAN,
WHEN I TOLD MY UNCLE AND SHOWED HIM THE APPLICATION, HE ACTUALLY
WAS SPEECHLESS -- ACTUALLY WAS NOT SPEECHLESS, BUT I WON'T REPEAT
WHAT HE SAID.

THOSE ARE MY FEELINGS, AND I WOULD LIKE TO ENTERTAIN SOME QUESTIONS.

MR. GEORGE: HOW WOULD YOU PROPOSE WE DRAW THE LINE IF WE HAD TO IN SONOMA VALLEY?

THE CHAIRMAN: IN OTHER WORDS, WHERE IS LOS CARNEROS, IN YOUR OPINION?

MR. RICCI: I HAVE TALKED TO A COUPLE OF GENTLEMEN IN
THE PLANNING DEPARTMENT YESTERDAY, AND THEY FELT TMAT LOS CARNEROS
-- THIS IS NAPA COUNTY PLANNING. THEY FELT LOS CARNEROS DID
CONTINUE INTO SONOMA ACROSS THE SONOMA COUNTY LINE AND TO 121 AND
FURTHER UP. AT THAT POINT, THEY WERE NOT SURE. THEY DID REFER TO

LOS CARNEROS AS, IN THEIR ESTIMATION, COMING ALONG THE GRANT BOUNDARY ALONG 21, EAST INTO NAPA, AND TO DEALY LANE, NORTH TO HENRY ROAD, EAST -- I'M SORRY. YES. EAST, BELOW CONGRESS VALLEY UP IN HERE, WHICH THEY FELT THAT THIS AREA WAS NOT INCLUDED IN THEIR TERMS AS BEING CARNEROS. BUT DEFINITELY BELOW CONGRESS VALLEY, AND THEN ACROSS TO NAPA RIVER. THIS IS THEIR FEELING.

I FEEL THAT IT IS PRETTY DIFFICULT FOR ME TO, IN STUDYING THIS AREA TO DETERMINE FURTHER CULTURAL PRACTICES AND VARIETIES
TO PLANT, TO, AGAIN, ASSUME THIS IS LOS CARNEROS AND ALL OF A
SUDDEN LOOK AT 4/5 TOWNSHIP ON A HIGH ELEVATION OF 1,300 FEET,
ROUGHLY, AS BEING CONSIDERED THE SAME CHARACTERISTICS AS DOWN IN
THIS HORSESHOE AREA, NAPA AND SONOMA. I DON'T KNOW WHERE THE
BOUNDARY SHOULD BE, OBVIOUSLY, BUT I KNOW WHERE I SHOULD BE AND
WHERE I HAVE LIVED.

AND THE FARMING AND CULTURAL PRACTICE THAT MY UNCLE HAS APPLIED HAS BEEN APPLIED TO THE REGIONS SOUTH OF NAPA AND SOUTH OF SONOMA.

THE CHAIRMAN: ARE THE TEMPERATURES VERY COMMON THROUGH THERE, AS WELL?

MR. RICCI: YES. THERE IS A BREAK AT THE ARROWHEAD
MOUNTAIN HERE. YOU HAVE THE SAME FOG INTRUSION AND INFLUENCE OF
THE BAY IN SOUTHERN SONOMA AS YOU DO IN NAPA COMING UP. AND I
THINK AS YOU MOVE AND HAVE THE SEPARATE MOUNTAIN RANGE, YOU WILL
FIND A DIFFERENCE, INCREASE, OBVIOUSLY, IN -- WELL, LESS FOG
INTRUSION AND THE TEMPERATURE RANGE. I KNOW THAT I DO HAVE 10
ACRES OF KIWI FRUIT PLANTED. AND WHEN I FROST PROTECT, IT IS
RECORDED. I TALK TO GROWERS FURTHER INTO SONOMA AND GROWERS
FURTHER INTO NAPA OUT VALLEY NAPA AND OUT VALLEY SONOMA, AND THEY

HAVE HAD TO FROST PROTECT WHERE I HAVE NOT. SO THE EXTREMES

DURING THE GROWING SEASON ARE LESS COLD THAN AS YOU MOVE UP INTO

SONOMA AND UP INTO NAPA. AND IT IS OBVIOUS, IF YOU TAKE A RIDE

ON A SUMMER AFTERNOON AND YOU DRIVE FROM SONOMA, 121, YOU COME

ACROSS, AND THERE IS A DIFFERENCE, NET TEMPERATURE CHANGE. THIS

COULD RANGE FROM EIGHT TO FIVE DEGREES. AS YOU COME THROUGH

HERE, THE SAME PRINCIPLE APPLIES. IT STARTS TO WARM UP AS YOU

MOVE UP INTO NAPA. IT IS CALLED THE SHIRTSLEEVE TEST.

THE CHAIRMAN: RENE LACASIA.

MR. RICCI: EXCUSE ME. I HAVE ONE MORE THING. I AM

NOT TOO FAMILIAR WITH THE PROCEEDINGS. I WOULD LIKE TO READ AN

ARTICLE THAT WAS WRITTEN DECEMBER 31 IN THE TRIBUNE BY MR. MEAD,

A WINE CRITIC. AND HE SAYS: "BATF DEFINES LOS CARNEROS AS BEING

LOCATED IN NAPA COUNTY. NOT VERY SPECIFIC. I THINK YOU WILL

AGREE TO SOME CONSIDERABLE SHOCK IN SONOMA GROWERS AS WELL AS

CONSUMERS, WHO ALSO THOUGHT THE REGION RAN THROUGH BOTH COUNTIES."

END OF QUOTE.

I WON'T READ THE COMPLETE ARTICLE. THANK YOU.

RENE LACASIA,

ON BEHALF OF BUENA VISTA WINERY AND VINEYARDS, TESTIFIED AS FOLLOWS:

SO HAPPY TO BE THE LAST ONE WITHOUT MANY THINGS TO BE LEFT.

THE CHAIRMAN: UNFORTUNATELY, YOU ARE NOT.

MR. LACASIA: MY NAME IS RENE G. LACASIA. I AM

DIRECTOR AND VICE-PRESIDENT OF OPERATIONS FOR BUENA VISTA WINERY

AND VINEYARDS IN SONOMA. I HAVE BEEN, FOR SIXTEEN YEARS ALMOST,

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INVOLVED WITH BUENA VISTA GROWTH AND EXPANSION. I DO NOT HAVE MANY THINGS TO ADD TODAY.

ALL THE RELEVANT ASPECTS IN THE POLITICAL RELATIONSHIP BETWEEN TWO DISTINCTIVE COUNTIES' CALIFORNIA PRODUCERS OF THE TOP QUALITY WINES IN THE STATE HAVE BEEN MENTIONED ALREADY. BUT. AS AN AGRICULTURAL ENGINEER, I HAVE TO SAY THIS MORNING I AM VERY GLAD TO SEE CONSENSUS ABOUT SOILS, CLIMATE, MICROCLIMATES. HISTORIC BACKGROUNDS, ET CETERA. I AM VERY GLAD, ALSO, TO SEE THAT 10 YEARS AGO AND TODAY WE FEEL THE SAME ABOUT CARNEROS AS A POTENTIAL DISTINGUISHED VINEYARD LAND. TEN YEARS AGO BUENA VISTA PURCHASED 700 ACRES IN THAT PARTICULAR AREA FOR THE REALITY IT IS TODAY. AND WE SHOULD PAY TRIBUTE TO THE EFFORTS OF VERY UNIQUE GROWERS IN WHAT SHOULD BE CALLED CARNEROS SOME OF THESE DAYS. AND I WONDER SOMETIMES IF SOME OF THE PIONEERS IN THIS AREA ARE GOING TO BE INCLUDED IN APPELLATION OR SUBAPPELLATION OR SUBDISTRICT, WHICH IT EVENTUALLY MIGHT BECOME, AND IF THEY ARE GOING TO BE INCLUDED IN THIS DENOMINATION, TO USE THAT WORD.

AGRONOMICALLY AND VITICULTURALLY SPEAKING, THE COUNTY LINE, WHEREVER IT IS LOCATED -- WE DO NOT KNOW EXACTLY -- HAS NO BEARING TO AFFECT THE FEATURES OF THE LAND AND CLIMATE AND VARIETAL BEHAVIOR AND THE PARAMETERS THAT DEFINE THE QUALITY OF THE WINES PRODUCED IN THE AREA.

THE NAPA VALLEY PORTION IS VALUED FOR CARNEROS. AND
THE GENERAL VALLEJO AND OTHERS IN THE AREA ARE NO DIFFERENT THAN
THOSE PERSONALITIES REFERRED TO IN THE NAPA VITICULTURAL HEARING.
WE HAVE SOMETHING IN COMMON -- CARNEROS.

IF THE COUNTY LINE PREVAILS AS A GEOPOLITICAL BOUNDARY,
BUENA VISTA COULD HAVE 40 PER CENT OF OUR HOLDINGS IN NAPA COUNTY

ULTIMATELY.

PUT THE BOUNDARIES WHERE.

WE SUGGEST TO POSTPONE ANY DEFINITION FOR CARNEROS AT THIS MOMENT UNTIL WE DEFINE NAPA AND SONOMA VITICULTURAL AREAS, AND THE CARNEROS APPELLATION CAN BE UTILIZED AS A GEOGRAPHICAL AREA OR DISTRICT, WHICH WILL ENHANCE THE IMPORTANCE OF THIS CRITICAL LAND OF NOBODY. WE ARE LIKE IN THAT MASTERPIECE OF LITERATURE BY PIRANDELLO. WE ARE SIX ACTORS IN SEARCH OF AN

AND 60 PER CENT IN SONOMA COUNTY -- OR RATHER, I SHOULD SAY,

ACCORDINGLY TAXES IN BOTH COUNTIES BUT NO ADDED RELEVANT

VITICULTURAL AREA IN BOTH CASES INSTEAD OF COUNTY -- AND PAYING

INFORMATION TO THE SOPHISTICATED CONSUMER, WHO PAYS OUR BILLS

AS A MATTER OF ACADEMIC INFORMATION, AND I MIGHT BE -I WOULD BE GLAD TO PUT THIS AT YOUR DISPOSITION, GENTLEMEN. IT IS
IN FRENCH. I MIGHT BE ABLE TO TRANSLATE IT FOR YOU AND MAKE A
COPY FOR YOU. IT IS NOTHING MORE THAN SOMETHING I BOUGHT IN PARIS
IN 1962 BEFORE COMING TO AMERICA, IN WHICH THIS IS THE COMPENDIUM
OF NOTHING LESS THAN THE FRENCH L'OEUVRE DE L'INSTITUT NATIONAL
DES APPELLATION D'ORIGINE DES VINS FROM THE DAYS WHEN THE ROMANS
WERE COMING UP TO BURGUNDY AND BEFORE -- CENTURIES BEFORE
CLOS DE VOUGEOT AND CLOS DE CHAMBERTIN BECAME SO RELEVANT.

AUTHOR IN THE SENSE OF WHO IS GOING TO BE WHO AND WHO IS GOING TO

IN ORDER TO SELL A BOTTLE FOR \$85.00 A PIECE, THEY WENT THROUGH THE SAME PAINS OF DELIVERY IN WHICH WE ARE NOW LABORING. WE HAVE TO START AT SOME POINT. I FEEL THAT, PROFESSIONALLY SPEAKING, WE ARE IN A VERY HIGH LEVEL OF DISCUSSION, EXCHANGE OF OPINIONS; BUT, AGAIN, THE IMPORTANCE OF WHAT WE DO, THE IMPORTANCE OF THE SUGGESTIONS AND THE FINAL DECISIONS THAT WILL BE PUT

TOGETHER BY THE AUTHORITIES -- I THINK THAT ALL THE INPUT THAT WE CAN GIVE IS EXTREMELY RELEVANT. SO WE HAVE TO BE, NO. 1, UNSELF-ISH. WE HAVE TO BE ABSOLUTELY TECHNICAL, AND WE HAVE TO BE ABSOLUTELY REALISTIC.

IF MY LITTLE LABEL, WITH WHICH I AM SO MUCH INVOLVED,
OF COURSE, IS GOING TO HAVE AN EXTRA PREMIUM IN THE FUTURE FOR
THE SOPHISTICATED CONSUMER -- BECAUSE THERE IS NO DOUBT THAT
CARNEROS IS GOING TO BE SOMETHING SPECIAL. THE FEATURES WE WENT
THROUGH THAT I AM NOT GOING TO EVEN TOUCH ON NOW -- THEY ARE
UNIQUE. BUT HOW IS IT ESTABLISHED, WHERE IS IT ESTABLISHED, WHO
IS GOING TO PUT THE BOUNDARIES TOGETHER IS EXTREMELY RELEVANT,
IN MY OPINION. BECAUSE 10 YEARS FROM NOW, WE WILL HAVE IN
CALIFORNIA AND IN THE UNITED STATES THE VITICULTURAL INSPECTOR
WHO WILL COME TO YOUR VINEYARD ONCE MORE, AND WE WILL HAVE TO DO
IT IN ORDER TO REGULATE YOUR PRUNING AND IN ORDER TO HAVE YOUR
VARIETAL BE TRUE TO THE VARIETAL YOU SAY YOU PLANTED.

AND THIS IS A VERY IMPORTANT EXERCISE IN INTELLECT TO DEFINE THE PARAMETERS OF THAT EXTRA QUALITY THAT WE ARE ALL LOOKING FOR HERE. BECAUSE THE FACT THAT YOU HAVE A VITICULTURAL AREA, IN MY OPINION, SHOULD NOT ALLOW ANY GROWER THE POSSIBILITY OF GIVING YOU SEVEN TONS OF CHARDONNAY PER ACRE OR SEVEN TONS CABERNET SAUVIGNON PER ACRE, BECAUSE THAT MUST BE THE FIRST DEFAULT IN THE PURPOSE OF WORK, WHICH I KNOW IS VERY EXHAUSTIVE AND FATIGUING.

THE REASON WHY I MENTION THESE THINGS IS BECAUSE I HAVE
A CHANCE, FOR REASONS THAT I SOMETIMES DOUBT, TO BE IN SOME WAY
INVOLVED INTERNATIONALLY IN THESE AFFAIRS. SO IT IS EXTREMELY
INTERESTING TO SEE HOW THESE THINGS CAN BEAR ON THESE TYPES OF

HISTORY.

WE READ A LOT OF HISTORY. WE THINK WE LEARN; BUT, IF
WE ARE NOT CAREFUL, WE WILL MAKE THE SAME MISTAKES THAT THEY MADE
IN THE PAST.

THE CHAIRMAN: I WOULD APPRECIATE A TRANSLATION OF THE DOCUMENT, IF YOU WOULD, PLEASE.

MR. LACASIA: I WILL CHARGE YOU FOR THAT. I WILL BE HAPPY TO.

THE CHAIRMAN: IF YOU CAN PART WITH IT, WE HAVE PEOPLE THAT CAN TRANSLATE IT.

MR. LACASIA: AS LONG AS YOU DO NOT -THE CHAIRMAN: WHY DON'T YOU KEEP IT.

MR. LACASIA: NO. I WILL BE HAPPY TO GIVE IT TO YOU.

THE CHAIRMAN: WHY DON'T YOU GIVE US A PHOTOCOPY OF IT.

MR. LACASIA: THIS AFTERNOON, I WILL BE HAPPY TO.

THE CHAIRMAN: THANK YOU VERY MUCH.

MR. GEORGE: YOU TESTIFIED THAT, I BELIEVE, IT SEEMED

WE WERE FOLLOWING THE SAME HISTORIC PROCESS AS THE FRENCH

GOVERNMENT DID MANY, MANY YEARS AGO. AND HOW DID THEY ADDRESS

THE ISSUE OF OVERLAPPING AREAS OR BOUNDARIES? NO DOUBT THEY WENT

THROUGH PROBLEMS LIKE THIS. HOW WERE THEY RESOLVED? IN YOUR MIND,

WAS THE RESOLUTION SUCCESSFUL?

MR. LACASIA: AS FAR AS I KNOW, I DON'T THINK THE OVER-LAPPING SHOULD EXIST IN FRANCE. I THINK THAT ORIGINS ARE SO WELL-DEFINED NOWADAYS -- AND HAVE BEEN VERY PAINFUL. THE EVOLUTION HAS BEEN VERY PAINFUL, OF COURSE. BECAUSE THERE IS THE CHAMPAGNE AND THE CHABLIS. ACROSS THE STREET HE CANNOT MAKE CHAMPAGNE. HE CAN MAKE THE CHAMPAGNE, BUT HE CANNOT LABEL IT AS SUCH.

IT TAKES GOOD JUDGMENT, GOOD ECONOMICAL BACKGROUND, THE MOST BASIC KNOWLEDGE IN VITICULTURE TO ESTABLISH THE RULINGS WITH WHICH WE ARE GOING TO PLAY THIS GAME. THIS IS THE POINT I WOULD LIKE TO MAKE A LITTLE STRESS ON BECAUSE I THINK IT IS SO CRITICAL, NOT ONLY FOR US, BUT WILL BE FOR OUR CHILDREN WHEN AMERICA IS GOING TO HAVE THE MORE SELECTIVE VITICULTURAL AREA. AND EVENTUALLY -- THINK FOR A SECOND. THE FIRST GROWTH AND THE FIFTH GROWTH IN FRANCE AND THAT OVERALL IN THE BEAUJOLAIS OR THE CLOS DE VOUGEOT OR CLOS DE CHAMBERTIN -- IT TOOK A COUPLE OF CENTURIES.

I GUESS, IF WE GO THROUGH THE LITERATURE, WE WILL FIND NUMBERS OF EXAMPLES OF THAT. WHY REPEAT THE SAME STRESS ON WHICH WE ARE HERE BUT AS A GREAT EXERCISE, AS I SAY, IN INTELLECT TO DEFINE. WE ARE ALL TRYING TO WORK TOGETHER, BUT I THINK WE SHOULD BE REALISTIC IN THE OBJECTIVES OF THIS, THE ULTIMATE GOAL OF WHICH IS TO BE TRUE TO THE TRUTH OF DOING SOMETHING OR PRODUCING A VERY SPECIAL PRODUCT, IN THIS CASE THE WINE, SO THE CONSUMER OUT THERE IS GOING TO BE PROTECTED, IS GOING TO BE ABLE TO MAKE HIS PERSONAL SELECTION WITH SOME INFORMATION THAT WILL HELP HIM TO HAVE SOME CONCLUSIONS.

THE WINE ASSOCIATION BEHAVIOR IS FASCINATING IN THIS
COUNTRY. NEWS COVERAGE AND BOOKS ARE WRITTEN AND WINE PUBLICATIONS
WE HAVE EVERY YEAR, AND THEY ARE ALL HELPING TO THE PURPOSE OF
THIS PROTECTING ALL OF US, BECAUSE WE ARE ALSO CONSUMERS.

SO BACK TO YOUR QUESTION, SIR. WHEN THEY WENT THROUGH
THIS PROCESS, ALSO, IN EUROPE -- BECAUSE THEY HAVE IT IN ITALY.

THERE IS A VERY PARTICULAR WINE SOLD IN THE EAST COAST NOWADAYS
THAT HAS FOUR LETTERS ON THE LABEL, AND IT IS A VERY SPECIAL OFFICE
FROM THE ITALIAN GOVERNMENT THAT MAKES SURE THAT WHAT IS IN THERE

IS THE TRUTH. IT COMES FROM A PARTICULAR AREA. SAME VITICULTURIST PRACTICES HAVE BEEN FOLLOWED. AND ALL THE TECHNICAL
ENDEAVORS, ALL THE TECHNICAL PERFORMANCE HAVE BROUGHT UP THIS
PRODUCT TO THE CONSUMER AS THE MOST HONEST AND TRUE TO THE LABEL
AND THE VARIETY, IF THAT IS THE CASE.

I CAN SEE WHY THEY DO NOT HAVE, THOUGH, THE OVERLAPPING SITUATION AFTER 300 YEARS PROBABLY THEY WENT THROUGH IN THE VERY BEGINNING. I DON'T THINK IT WAS VERY EASY IN THE MEDOC OR THE POMEROL TO SAY WHERE IN THE WORLD THIS POMEROL STARTED AND WHETHER THE MEDOC IS SOMETHING WITHIN THE BORDEAUX; OR THE BEAUJOLAIS ON THE RHONE RIVER IS DIFFERENT FROM THE UPPER PART OF BURGUNDY AND ALSO DIFFERENT FROM CHABLIS ON YOUR WAY TO PARIS.

ALL THE SAME, I THINK WE SHOULD BE VERY CAREFUL. WE ARE NOT HERE TO DELIVER A FAST PRODUCT. WE ARE HERE TO MAKE HISTORY.

DID I ANSWER YOUR QUESTION, SIR?

MR. GEORGE: THANK YOU.

MR. DEVINEY: AS FAR AS THE CONSUMERS OF THE WINE THAT COMES FROM YOUR VINEYARDS, WHAT DO YOU THINK OR WHAT WOULD YOU LIKE TO TELL THEM ON THE LABEL? THAT YOU ARE FROM LOS CARNEROS? FROM NAPA? FROM SONOMA?

MR. LACASIA: I WOULD BE HAPPY AND VERY PROUD TO TELL
THEM THAT THE WINE COMES FROM THE SONOMA VALLEY AND FROM A VERY
PARTICULAR LOCATION, CARNEROS. I WOULD NOT HAVE ANYTHING ELSE ON
THE LABEL. AND THE SAME WAY OF THINKING, I THINK, WE SHOULD GIVE
TO THE GENTLEMEN OF THE NAPA VITICULTURAL AREA, THE SAME PRIVILEGE
OF SAYING, "WE ARE FROM NAPA VALLEY, BUT WE HAVE SOMETHING SPECIAL
TO OFFER YOU, CARNEROS."

AND I AM VERY MUCH AWARE OF THE BEAUTIES OF THE PINOT NOIR. I HAVE BEEN WORKING WITH PINOT NOIR AND CHARDONNAY GRAPES IN CARNEROS. YOU SEE, I CALL IT THE CARNEROS. BUT THOSE ARE ACRES.

EVERYTIME I SEE THAT CABERNET SAUVIGNON IN WHICH I HAVE
TO VISUALIZE THE COUNTY LINE, IN ORDER TO MAKE SENSE TO ME, I
SHOULD GO BACK TO THE UNIVERSITY BECAUSE THERE IS NO WAY FOR ME
TO UNDERSTAND THAT I HAVE TO GET SOME DIFFERENT COLOR PAINTS TO
PAINT MY GRAPE STAKES AND TO STOP MY OWN DOLLARS BACK TO THE
WINERY. IN ORDER TO BE HONEST, I SHOULD DO THIS? I KNOW HOW TO
DO IT, OF COURSE. AFTER ALL THIS WORK, I WILL JUST PUT 60 PER
CENT IN SONOMA AND 40 PER CENT IN NAPA. BUT THAT IS NOT HONEST.
WE FOLLOW THE LETTER OF THE LAW.

MR. DEVINEY: IF THIS PART OF THE COUNTRY WERE IN FRANCE, HOW WOULD THEY RESOLVE THIS QUESTION?

MR. LACASIA: THEY WOULD TAKE A LONG TIME TO DEFINE WHAT WE ARE TALKING HERE. THE MARSHES OF THE SOUTHLAND. I THINK THE RAILROAD TRACKS GAVE JOHN WRIGHT, MY DEAR FRIEND, SOME TOOL TO THINK ABOUT THIS PROJECT. AND WES HAIRE OF THE HAIRE FAMILY, THE FORMER OWNERS OF THE BUENA VISTA, HE SAID TO ME MANY YEARS AGO, "RENE, BE CAREFUL. THESE SOILS ARE ROUGH. THE WEATHER IS GREAT. YOU WILL HAVE AN AIR CONDITIONING SYSTEM FOR FREE, AND YOU WILL TURN IT ON AT 3:00 IN THE AFTERNOON." AND THAT IS QUITE TRUE.

WHEN HEALDSBURG AND PROBABLY IN THE UPPER SECTIONS OF SONOMA VALLEY NOT FAR NORTH FROM HERE ARE SUFFERING FROM 104, I HAVE MY FREE OF CHARGE AUTOMATIC AIR CONDITIONING COMING FROM THE SAN PABLO BAY BROUGHT INTO THE VINEYARDS BY THE WIND.

THEY MIGHT APPLY THE SAME PHILOSOPHY, I THINK, THAT IS
IN OUR MIND HERE. I AM SO GLAD THAT ANOTHER MENTIONED IT THIS
MORNING. IF NOT, WE MIGHT RUN FOR DAYS AND DAYS, AND I THINK WE
ARE RUNNING IN CIRCLES NOW. THE LARGEST AREA THAT YOU CONSIDER -YOU HAVE TWO KINDS OF PROBLEMS; HOW TO IDENTIFY THE PARAMETERS
IN ORDER TO MAKE IT CONSISTENT; BUT, ON THE OTHER HAND, YOU START
WITH SOMETHING THAT WILL GIVE YOU THE ALTERNATIVE, WHEN YOU COME
TO A PARTICULAR LOCATION, TO HAVE A MORE DOCUMENTED WORK, A MORE
DOCUMENTED INFORMATION TO MAKE YOUR DECISION, WHICH WILL AFFECT
ALL OF US.

SO, IF WE HAVE LAND LIKE THIS, I AM SURE WE WOULD SEND FIRST THE VITICULTURAL INSPECTORS THAT -- SOME PEOPLE RESENT BUREAUCRACY. I AM NOT BECAUSE I USED TO BE A VERY GOOD ONE BEFORE I LEARNED SO MANY THINGS ABOUT THESE COMMUNICATIONS ON BOTH SIDES OF THE DESK, IN WHICH THE TRUTH HAS TO BE THERE AND THE HONESTY AND THE REALISTIC FACTS OF LIFE.

AGAIN, I KNOW THAT WE ARE ALL GOING TO SUFFER. I WAS TALKING IN FRANCE WITH SOME PEOPLE ON THE OTHER SIDE OF COGNAC.

THE POOR FELLOW CANNOT MAKE COGNAC BRANDY, CANNOT MAKE CHAMPAGNE.

"WHY MY PAPA DIDN'T BUY THE OTHER PIECE OF LAND? DUMMY, HE WAS.

HERE I AM."

SO THERE WE HAVE TO BE CAREFUL SO THAT OUR CHILDREN DO NOT SAY, "LOOK AT PAPA. WHAT A DUMMY HE WAS."

THANK YOU, SIR.

THE CHAIRMAN: THANK YOU.

MR. RUSSELL EICHNER.

RUSSELL EICHNER,

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THIS BEGAN TO MAKE SENSE.

I THINK ONE OF THE MAIN POINTS, BEFORE I START ACTUALLY

TESTIFIED AS FOLLOWS:

MY NAME IS RUSS EICHNER, AND TODAY I AM HERE AS VICE-PRESIDENT OF THE NAPA COUNTY FARM BUREAU, BUT ALSO I AM MANAGER FOR APPROXIMATELY 400 ACRES OF LAND FOR CUVAISON VINEYARD, AND THIS LAND IS LOCATED ESSENTIALLY IN THE CENTER OF WHAT WE HAVE DEFINED HERE AS THE CARNEROS DISTRICT.

ONE OF OUR EARLIER SPEAKERS, MR. MERRITT, HAD MENTIONED THE SHIRTSLEEVE TEST FOR DETERMINING THE CARNEROS. I COULD ADD A COUPLE MORE, THE 3:00 WIND AND, IF WE WERE TO TAKE A TRACTOR AND A DISK AND START DRIVING THE THING, AS SOON AS IT STOPS CLOGGING UP IN THE SPRING, WE ARE OUT OF THE CARNEROS. IT HAS GOT TO BE ONE OF THE WORST PLACES IN THE WORLD TO GROW GRAPES. IT IS MISERABLE, BUT IT PRODUCES A VERY GOOD QUALITY.

THE FARM BUREAU HAS DISCUSSED THE CARNEROS APPELLATION PROPOSAL, AND WE FEEL -- AND BEING HERE TODAY AND LISTENING TO SOME OF THE SONOMA PEOPLE TALKING ABOUT THE CARNEROS -- FRANKLY, CARNEROS HAS ALWAYS BEEN ASSOCIATED WITH NAPA, IN MY PERSONAL MIND, AND IN THE MINDS OF THE PEOPLE IN THE NAPA COUNTY, NATURALLY, BUT IN LISTENING TO THE HISTORICAL RELATIONSHIPS OF THE CARNEROS AREA TO SONOMA AND THINKING BACK, DRIVING ACROSS THE GROUND, AND LOOKING OUT, YOU KNOW, AT THIS GROUND AND SAYING, "GEEZ, WOULD I HAVE PROBLEMS FARMING THIS LAND? IS IT LIKE THE LAND I AM FARMING ON?" -- I FIND SCHELLVILLE OUT OF THE PICTURE, BUT WHEN THE RAILROAD WAS DESCRIBED AS BEING A REASONABLE BOUNDARY, AND REFLECTING ON THE LANDS OUT THERE, LOOKING AT THAT, YOU KNOW,

THE NAPA VALLEY IS. AND ONE OF THE MAIN POINTS I WAS ASKED TO BRING UP IS, IF THERE IS A CARNEROS APPELLATION FINALLY ACCEPTED, DOES THIS ALSO MEAN THAT, IF SOMEONE IS GROWING GRAPES IN THAT AREA, THEY CANNOT, IF THEY ARE ALSO IN THE NAPA VALLEY APPELLATION -- CANNOT CALL THAT PRODUCT NAPA VALLEY WITHOUT CARNEROS, WITHOUT ALSO DESIGNATING THAT AS NAPA VALLEY? ARE THESE TWO TERMS GOING TO BE MUTUALLY EXCLUSIVE? I DON'T KNOW IF THAT ANSWER CAN BE GIVEN NOW.

THE CHAIRMAN: I AM NOT GOING TO TRY NOW.

MR. EICHNER: IF THERE IS AN APPELLATION GIVEN, CAN A WINERY GROWING GRAPES IN THAT AREA ALSO LABEL THAT PRODUCT AS NAPA VALLEY? FROM A MARKETING STANDPOINT, CAN YOU HAVE ONE THAT WOULD LIKE TO CALL ITSELF NAPA VALLEY AND WINES MADE FROM THOSE GRAPES EXCLUSIVELY WOULD BE DESIGNATED AS THE CARNEROS DISTRICT OF NAPA VALLEY?

THE CHAIRMAN: WE COULD NOW ANSWER RIGHT NOW. WE DO NOT HAVE THE ANSWER.

MR. EICHNER: THOSE ARE OUR CONCERNS, THAT WE WOULD NOT WANT TO HAVE A PROBLEM IDENTIFYING OUR WINES AS CARNEROS WINES BEFORE THAT DISTRICT HAS GOTTEN THE RECOGNITION THAT SONOMA VALLEY AND NAPA VALLEY PRESENTLY HAVE. THIS WILL BE THE MARKETING DIFFICULTY, AND, OF COURSE, WHEN THERE IS A MARKETING DIFFICULTY, THAT PLACES AN ECONOMIC DIFFICULTY ON PEOPLE GROWING IN THAT AREA.

I THINK THESE ARE THE THINGS THAT WE WOULD LIKE TO

BRING OUT. THE COUNTY LINE PROPOSAL, AS I MENTIONED, WAS AT FIRST

ACCEPTABLE, BUT, IN ALL FAIRNESS IN LISTENING TO THE HISTORICAL

AND THINKING OF THE GROUND THAT IS ACTUALLY OUT THERE, THIS IS, I

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DON'T FEEL, A REASONABLE PROPOSAL. PERHAPS SOMETHING HAVING TO DO WITH THE NATURE OF THE SOILS AND CLIMATES IS A LITTLE BETTER. AND WE HAVE TO RECOGNIZE THAT, IF THERE IS A RANCH OR A VINEYARD THAT HAS THE PROPOSED LINE GOING THROUGH IT, THAT THAT PERSON IS GOING TO MAKE QUITE A SQUAWK. AND IT ALMOST SEEMS AS THOUGH THE LINE WILL BE DETERMINED BY THE MOST REMOTE VINEYARD FROM THE, QUOTE, CENTER OF THE CARNEROS THAT DOES NOT HAVE THE LINE CROSSING THROUGH IT.

EVERYBODY IS GOING TO KEEP ADVANCING THIS LINE, AND I GUESS THERE WILL BECOME A POINT WHERE SOME DECISIONS ARE GOING TO HAVE TO BE MADE AND SOMEBODY IS GOING TO BE OUT AND SOMEBODY IS GOING TO BE IN. THOSE ARE THE POINTS I WOULD LIKE TO BRING UP. IF YOU HAVE ANY QUESTIONS?

THE CHAIRMAN: I HAVE NO QUESTIONS.

MR. MINTON: I HAVE ONE QUESTION.

YOU MENTIONED THAT THIS LAND IN SONOMA IS DIFFERENT

ONCE YOU MOVE OUT PAST THE RAILROAD TRACKS. YOU DO NOT THINK IT

COULD REASONABLY BE INCLUDED IN THE CARNEROS AREA, AS YOU KNOW IT?

MR. EICHNER: AS I WAS OVER DURING OUR FIRST BREAK AND LOOKING AT THE MAP, THE PROPOSAL THAT SONOMA LANDS BE INCLUDED IN THE CARNEROS AND TO EXCLUDE THEM WAS NOT FAIR IN THE PROPOSAL, THAT PERHAPS THE LANDS OVER TOWARD SCHELLVILLE THAT ARE OWNED BY SEBASTIANI INCLUDED -- I WAS KIND OF REFLECTING BACK ON DRIVING ALONG THE HIGHWAY LOOKING ALONG THE LANDS AND SAYING, "OH, WE ARE OUT OF CARNEROS, AND OVER IN GREENACRES, SEBASTIANI'S PLACE, AND CERTAINLY WE ARE AWAY FROM CARNEROS NOW." THE LINE DID PRETTY WELL DEFINE, I THOUGHT, THE SOUTHEASTERN BOUNDARY OF CARNEROS, AS I KNOW IT.

MR. MINTON: IF YOU DROVE UP THROUGH THE NORTHERN PART OF THE PROPOSED CARNEROS, IN YOUR MIND, WOULD YOU THINK THAT WAS REASONABLE?

MR. EICHNER: HIGHWAY 121 AND HIGHWAY 12?

MR. MINTON: ON UP TOWARD THE CITY OF NAPA. DO YOU SEE WHERE THE PROPOSED BOUNDARY IS? LIKE THE NORTHWEST CORNER. WHAT DO YOU THINK OF THE NORTHWEST CORNER OF THE PROPOSED AREA? DO YOU THINK THAT IS CONSISTENT WITH WHAT YOU THINK OF AS CARNEROS?

MR. EICHNER: ON THE VALLEY FLOOR THERE OF CARNEROS VALLEY, IT IS -- ON THE NORTHERN END, YOU ARE BEGINNING TO, I FEEL, STRETCH IT A LITTLE BIT. YOU DON'T HAVE YOUR 3:00 LINE. YOU DON'T HAVE YOUR THREE TESTS. THE LINE IDENTIFYING PIERCE'S DISEASE. YOU HAVE TO HAVE TWO OR THREE OF THE CHARACTERISTICS PRESENT, AND I DON'T THINK THE WINDS EXIST UP THERE.

BUT I DON'T SPEND A LOT OF TIME UP IN THAT END OF THE VALLEY.

THE CHAIRMAN: YOU POSED THE QUESTION TO US. I AM GOING TO TURN IT AROUND AND POSE IT BACK TO YOU. WHAT WOULD BE WRONG, OR WOULD ANYTHING BE WRONG WITH A LABELLING PROCESS THAT SAID, IF YOU ARE IN CARNEROS, YOU COULD USE THAT; IF YOU ARE IN THE NAPA SIDE OF CARNEROS, YOU COULD USE EITHER NAPA OR CARNEROS-NAPA; IF YOU ARE IN THE SONOMA SIDE OF CARNEROS, YOU COULD USE CARNEROS OR CARNEROS-SONOMA? DO YOU FIND ANY PROBLEM WITH THAT KIND OF PROCESS?

MR. EICHNER: I DO NOT FIND ANY GREAT DIFFICULTY WITH

IT. WHEN I FIRST HEARD THE PROPOSAL, I THOUGHT, "HERE'S PERHAPS

A REASONABLE SOLUTION." I THINK RENE ADDRESSED THIS SOLUTION

QUITE RIGHTLY, SAYING THAT SONOMA VITICULTURAL AREA AND NAPA

VITICULTURAL AREA HAVE SOMETHING IN COMMON. WE SHARE THE

CARNEROS AREA, AND I THINK THAT CARNEROS SHOULD BE A FURTHER

DEFINITION OF, YOU KNOW, EITHER OF THOSE AREAS. I THINK THAT WOULD

BE A REASONABLE PROPOSAL.

I DON'T THINK THE FARM BUREAU WOULD HAVE ANY DIFFICULTY WITH THAT.

THE CHAIRMAN: THANK YOU VERY MUCH.

MR. BOB DWYER.

BOB DWYER,

ON BEHALF OF THE NAPA VALLEY GRAPE GROWERS ASSOCIATION, TESTIFIED AS FOLLOWS:

MR. CHAIRMAN AND MEMBERS OF THE PANEL, AGAIN I AM LATE IN THE DAY, AND I TESTIFIED AT 5:30 ON MONDAY. I HAVE HEARD SO MUCH OF WHAT I MIGHT WANT TO HAVE SAID ALREADY, THAT I AM NOT SURE WHAT IS LEFT FOR ME. BUT I THINK THE NAPA VALLEY GRAPE GROWERS ASSOCIATION, OF WHICH I AM THE DIRECTOR, SHOULD BE REPRESENTED AT THESE HEARINGS. AND WE CERTAINLY ARE VERY INTERESTED AND DO HAVE SOME COMMENTS.

FOR THE RECORD, I HAVE TO REFER TO MY TESTIMONY ON MONDAY. I HOPE YOU WILL LOOK AT IT NOT ONLY IN TERMS OF THE NORTH COAST, BUT ALSO IN THE FASHION IN WHICH IT ADDRESSED CARNEROS IN THE DISCUSSION OF THE NAPA VALLEY AND THAT PROPOSED AREA, AND CERTAINLY THIS OVERLAPPING AND OVERLAYING PROBLEM.

I THINK THAT, TO DEFINE THE CARNEROS AT THIS TIME UNTIL
THAT OVERLAP AND OVERLYING PROBLEM IS RESOLVED, WOULD NOT BE FAIR
AND WOULD NOT BE IN THE BEST INTEREST OF GROWERS AND WINERY
PEOPLE, NOR WOULD IT BE IN THE BEST INTEREST OF THE CONSUMERS.

I THINK IT IS ALSO UNFAIR TO AND VERY DIFFICULT FOR THOSE OF US
IN THE INDUSTRY TO PROPERLY APPROACH THIS PROBLEM UNTIL WE HAVE
AN ANSWER TO THOSE QUESTIONS.

I DO THINK JOHN MERRITT'S CONCEPTS IN TERMS OF A CARNEROS AREA THAT WOULD SPAN SEVERAL VALLEYS IS NOT UNREASONABLE, NOR DO I THINK IT WOULD BE TERRIBLY CONFUSING TO THE CONSUMER. THE ORIGINAL INTENT OF THAT SPECIAL CATEGORY CREATED BY THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS IN THE VITICULTURAL AREA WAS TO ADDRESS THAT SITUATION THAT IS CERTAINLY REPRESENTED BY THE CARNEROS.

POLITICAL BOUNDARIES SHOULD NOT BE CONSIDERED. WE HAVE
TO LOOK AT THE VERY WELL THOUGHT OF CRITERIA THAT YOU INCLUDED
IN YOUR REGULATIONS. I AM VERY CONCERNED ABOUT THE POSSIBILITY
OF A CHALLENGE TO WHATEVER WE DO UNTIL WE SOLVE AND RESOLVE THIS
PROBLEM.

THE REGULATIONS, AS I POINTED OUT ON MONDAY, DO NOT PERMIT, NOR DO THEY PROHIBIT, EITHER, OVERLAPPING OR, IN MY OPINION, OVERLAYING A VITICULTURAL AREA WITH ANOTHER. I WOULD CERTAINLY URGE YOU TO CONSIDER AMENDING THOSE REGULATIONS SO THAT THE POSSIBILITY OF THAT POTENTIAL CHALLENGE IS THWARTED, AND THEN OUR PROCEEDINGS CAN MOVE ONWARD WITHOUT HAVING TO TURN BACK AND REDISCUSS THE SAME AREA WITH CHANGES THAT HAVE BEEN BROUGHT ABOUT BY SUCH A CHALLENGE.

IT HAS BEEN MY IMPRESSION SINCE THE BEGINNING OF THESE PROCEEDINGS, WHICH WAS IN 7/5/76, THAT THE INTENT OF THE BUREAU IN RESTRUCTURING THE REGULATIONS RELATING TO APPELLATIONS OF ORIGIN HAS BEEN TO CLARIFY, CERTAINLY, RATHER THAN CONFUSE LABELLING FOR THE CONSUMER.

WE CERTAINLY DO HAVE A BIT OF A CONFUSING SITUATION
HERE, AND I UNDERSTAND YOUR PROBLEM. BUT I THINK IT CAN EASILY
BE CLARIFIED ONCE WE DO HAVE THE DEFINITION OF THE NAPA VALLEY
WELL IN HAND AND WE DO UNDERSTAND WHERE THE SONOMA VALLEY IS.
THEN A PORTION OF EACH OF THOSE VALLEYS WILL PROBABLY BE MORE
EASILY SEEN AS A CARNEROS AND MORE ACCEPTABLE TO THE CONSUMER AND
CERTAINLY TO YOU. I THINK THE CONFUSION SURROUNDING THIS OVERLAP
ON THE PART OF EVERYBODY TESTIFYING THROUGH THE LAST THREE DAYS,
AND YOUR OPENMINDED ATTITUDE AND OBVIOUS FLEXIBILITY AT THIS
POINT, POINTS TO THE PREMATURE NATURE OF HEARING A CARNEROS
REGION. WE AND YOU ARE STILL SEARCHING FOR A RESOLUTION TO THE
PROBLEM, AND, UNTIL WE HAVE THAT, WE SHOULD PROBABLY NOT PROCEED.

I AM LOOKING FORWARD TO THE ANNOUNCEMENT OF THE NAPA VALLEY DECISION. MR. MINTON TOLD ME MONDAY IT IS GOING TO BE ANY DAY NOW, AND WE HAVE SIX DAYS UNTIL THE 20TH. AND IF THAT IS WHEN IT WAS GOING TO OCCUR, I AM GETTING MOST ANXIOUS. LIKE CHRISTMAS MORNING.

I DO HOPE YOU HAVE RECEIVED ADEQUATE INPUT IN TERMS OF THE INPUT ON OVERLAY. I DID NOT RECEIVE THE NOTICE UNTIL QUITE RECENTLY, SO I HAVE NOT HAD THE OPPORTUNITY TO REALLY DISCUSS THIS WITH A LOT OF GROWERS, EITHER IN THE CARNEROS REGION OR IN THE NAPA VALLEY. BUT I THINK YOU WILL BE RECEIVING SOME INPUT FROM US ON THAT, AND SOME OF OUR THOUGHTS, AND I AM SURE THE INDUSTRY HAS SOME IDEAS FOR YOU. BUT I THINK SOME OF THE THOUGHTS THAT CAME TO YOU TODAY, EVEN THOUGH THEY ARE IN A SOMEWHAT RAW FORM, CERTAINLY ARE A GOOD APPROACH, AND, I THINK, ARE GOING TO BE PROBABLY A LIKELY SOLUTION TO THE PROBLEM.

THE 100 PER CENT CONCEPT TENDS, ALSO, TO ADD SOMETHING,

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NAPA.

I THINK, TO IT WHICH COULD ASSIST US IN DELINEATING THAT AREA WHICH MIGHT END UP USING TWO APPELLATIONS. IT IS ENTIRELY POSSIBLE, OF COURSE, GIVEN THE CONCENTRIC CIRCLES THAT WE SEE GROWING, THAT YOU COULD HAVE THREE OR FOUR APPELLATIONS.

FOR INSTANCE, IF YOU WERE IN JOHN MERRITT'S "BC" I BELIEVE IT WAS, WHICH IS THE QUADRANT DEFINED AS CARNEROS-NAPA VALLEY, YOU ARE IN THE CARNEROS. AND AS THE CONCENTRIC CIRCLES SPREAD, YOU ARE IN THE NAPA VALLEY. AND THEN YOU ARE ALSO GOING TO BE IN THE NORTH COAST. SO, IF YOU DO NOT SEE THE NORTH COAST AS A PROBLEM, THEN I DO NOT SEE CARNEROS-NAPA VALLEY OR CARNEROS-SONOMA VALLEY AS A PROBLEM. IF WE ARE GOING TO HAVE VITICULTURAL AREAS WITHIN VITICULTURAL AREAS AND VITICULTURAL AREAS ARE DEFINED AS THEY ARE, THEY ARE PROBABLY GOING TO OVERLAP HERE AND THERE.

AND, AS MR. COOLEY POINTED OUT, THAT IS PROBABLY GOING TO BE THE RULE RATHER THAN THE EXCEPTION IN CALIFORNIA.

I THANK YOU VERY MUCH FOR YOUR PATIENCE IN THE LAST THREE DAYS AND LAST FIVE YEARS. AND WE CONTINUE ON. AND, AS MR. LACASIA JUST SAID, WE HAVE A BIG AND IMPORTANT JOB TO DO, AND I HOPE YOU WILL TAKE THE TIME WITH THE CARNEROS AND GIVE IT THE SORT OF CONSIDERATION THAT I THINK EVERYONE HAS ASKED YOU TO DO TODAY. THANK YOU.

THE CHAIRMAN: THANK YOU VERY MUCH.

FRANCIS MAHONEY,

ON BEHALF OF CARNEROS CREEK WINERY, TESTIFIED AS FOLLOWS:

I AM FRANCIS MAHONEY FROM CARNEROS CREEK WINERY IN

AS I HAVE BEEN LISTENING TO WHAT HAS BEEN GOING ON HERE TODAY, IT SEEMS LIKE WE ARE REALLY GOING NOWHERE. WHAT CARNEROS HAS PROPOSED IS NOT REALLY MEANINGFUL, AND THEREFORE, WE SHOULD ALL GO BACK AND WASH OUR HANDS. I DO NOT THINK THIS IS REALLY WHAT ANYBODY IN THE ROOM REALLY WANTS.

TRYING TO DEFINE THINGS BY LAND -- WE CAN ALWAYS DEFINE

A CERTAIN PIECE OF LAND SOME PLACE WHICH IS SIMILAR TO ANOTHER

AREA, AND THAT WOULD GET US NOWHERE. WHAT WE ARE REALLY TRYING

TO DO IS DEFINE SOMETHING FOR THE CONSUMER THAT HE OR SHE CAN

GRASP ONTO AND SAY, "I KNOW KIND OF WHERE THIS WINE COMES FROM."

I AM TALKING ABOUT WHEN YOU GET BACK TO THE MIDWEST AND YOU HAVE GOT A BOTTLE OF WINE AND IT SAYS NAPA VALLEY. THAT IS MEANINGFUL. WHEN IT SAYS CARNEROS DISTRICT, IT INFORMS YOU A LITTLE MORE OF WHERE THAN WINE COMES FROM. AND THIS IS REALLY THE GIST OF WHAT WE ARE ALL HERE FOR, THE CONSUMER.

AND WE AT CARNEROS CREEK HAVE BEEN PUTTING CARNEROS

DISTRICT AFTER NAPA VALLEY ON OUR LABELS FOR THE LAST -- SINCE

1975. WE FIND IT INFORMATIVE. IT TELLS THE PEOPLE WHAT THEY ARE
LOOKING FOR AND WHAT THEY ARE GOING TO GET IN THE BOTTLE.

AS OPPOSED TO NAPA VALLEY PINOT NOIR, WE PUT NAPA

VALLEY, QUOTE, UNQUOTE, AND USUALLY IT IS, PARENTHESES, CARNEROS

DISTRICT. WE FIND THAT THAT SEPARATES OUT THE TWO AND THE

DISTINCTIVE STYLES. A LITTLE BIT SIMILAR TO WHAT BEAULIEU IS

PROPOSING.

HISTORICALLY, I THINK THAT THE APPELLATION OF CARNEROS
IS REALLY NAPA. THE REASON PEOPLE ARE HERE IS BECAUSE OF WHAT
VINTNERS HAVE DONE IN NAPA VALLEY. THEY HAVE GONE OUT AND DONE
THE GROUNDWORK, THE PIONEERING TO SHOW THAT THERE IS SOMETHING TO

CARNEROS DISTRICT.

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A LOT OF THE WINE WRITERS WHO HAVE WRITTEN HAVE SAID THINGS AND, YOU KNOW, BROUGHT ATTENTION TO THE CONSUMER. SO WE ALL KNOW WHAT THEY ARE TALKING ABOUT.

WHAT I WOULD LIKE TO SEE HAPPEN AT THIS POINT, AND I
THINK I GO ALONG WITH THE MAJORITY THAT HAVE TALKED HERE TODAY,
IS -- WHY NOT ADDRESS OURSELVES FIRST TO THE PROBLEM OF DEFINING
THE NAPA VALLEY AND THE SONOMA VALLEY? BECAUSE WHEN WE DO THAT,
ULTIMATELY WE WILL END UP COMING BACK TO YOU AND SAYING -- NOW
THAT WE HAVE DEFINED ONE THING, WE MAKE OUR PROBLEM OF COMING TO
YOU A LITTLE BIT EASIER. AND, SAY, NEXT YEAR OR THE YEAR AFTER,
WE WOULD LIKE TO COME BACK TO YOU WITH THE CARNEROS DISTRICT, AND
LET THINGS JUST KIND OF GO THE WAY THEY ARE GOING.

THERE IS AN EVOLUTION HAPPENING. THERE IS A PROBLEM IN WHERE THE LINE IS. SOME PEOPLE TALK OF 85 PER CENT. SOME PEOPLE TALK OF 15 PER CENT THIS AND THAT. THERE IS A WAY, I THINK, WE CAN DO THIS WITHOUT LOOKING AT THE GEOGRAPHICAL LINES, AND ONE IS TO, SO TO SPEAK, SIGN UP.

YOU GET ON WHAT SIDE OF THE BORDER YOU WANT TO BE ON.

IF IT HAPPENS TO BE DIVIDED ON THE SONOMA SIDE OR THE NAPA SIDE,

AND YOU SAY, "I WANT TO BE A NAPA VALLEY WINERY," THEN YOU GET A

ONE-TIME CHANCE TO SIGN UP AND SAY, "I WILL PETITION BATF FOR MY

APPELLATION TO BE IN NAPA. AND IF I SO CHOOSE TO GO THE OTHER

WAY, I WANT TO BE A SONOMA WINERY, I WILL GO THE OTHER WAY."

BECAUSE THE SAME PROBLEM WE ARE TALKING ABOUT WITH

CARNEROS, WE ARE GOING TO BE FACED WITH NAPA VALLEY ALL THE WAY

UP THE HILL. I THINK SOME PEOPLE HAVE TALKED ABOUT THAT WITH THE

MAYACMAS PROBLEM. LET PEOPLE MAKE A DECISION. LET THE LANDHOLDER,

THE GRAPE GROWER NOW SAY, "I WANT TO GO ONE WAY OR THE OTHER,"
BECAUSE YOU CAN NEVER SOLVE THAT PROBLEM, YOU KNOW, ONCE YOU
DEFINE SOMETHING AND IT DOESN'T REALLY ADDRESS THE PROBLEM OF
THE COUNTY LINE.

WELL, USE THE COUNTY LINE AS A CRITERIA OF WHERE THESE
THINGS ARE, BUT AS THE FIXED DEFINITION. BUT LIKE DOMAINE CHANDON
HAS THE PROBLEM OF 200 ACRES OR SOMETHING ON ONE SIDE AND 300
ACRES ON THE OTHER. GIVE THEM A ONE-TIME CHANCE TO SIGN UP TO
GO TO NAPA. IF BUENA VISTA WANTS TO GO TO SONOMA, LET THEM DO
THAT. AT LEAST IT GETS THE PROBLEM WITH NAPA VALLEY OUT OF THE
WAY AND THE PROBLEM WITH SONOMA OUT OF THE WAY.

AND LATER, WITH LATER HEARINGS, IF WE WANT TO, GO TO CARNEROS. BUT RIGHT NOW, CARNEROS IS NOT AN EASY THING TO WORK WITH.

FROM THE STANDPOINT OF CARNEROS CREEK, I THINK
HISTORICALLY, GIVEN: THE BIT OF TIME THAT WE HAVE BEEN ON BASE,
WE HAVE CALLED IT NAPA VALLEY. THAT DOES NOT MEAN TO SAY THAT
THAT IS CUT AND GROUND. BUT I WOULD THINK THAT MOST OF THE
HISTORY IS ON THE SIDE OF ITS GOING AT LEAST TO THE NAPA SIDE.

THE CHAIRMAN: WHERE IS YOUR WINERY? CAN YOU SHOW US ON A MAP.

MR. MAHONEY: WE ARE UP ON DEALY LANE ON THE NORTH SIDE OF 121. WE ARE IN THE APPELLATION AS YOU DEFINE IT RIGHT NOW. WE ARE IN A VALLEY CALLED CARNEROS VALLEY, AND I DON'T THINK YOU WOULD WANT TO EXCLUDE US BECAUSE WE HAPPEN TO BE ON CARNEROS CREEK, CARNEROS VALLEY. IF YOU WANTED TO EXCLUDE US, WE CONSIDER OURSELVES IN THE CARNEROS AREA.

THE CHAIRMAN: CAN YOU JUST ROUGHLY POINT TO THE AREA.

MR. MAHONEY: RIGHT HERE.

MRS. KIRK: I HAVE A QUESTION. WOULD YOU CLARIFY FOR ME YOUR POSITION THAT THE BUREAU SHOULD WAIT ON RULING ON THE LOS CARNEROS VITICULTURAL AREA FOR DECISION ON THE SONOMA-NAPA VALLEY AREA. COULD YOU SHOW HOW THIS WOULD IMPACT UPON THE FACTORS WHICH ARE REQUIRED TO BE SHOWN, THE FACTORS AS HAVE BEEN REPEATEDLY STATED. HOW WOULD OUR WAITING AFFECT THE EVIDENCE THAT THE NAME OF THE PROPOSED VITICULTURAL AREA LOCALLY OR NATIONALLY KNOWN IS REFERRING TO THE AREA SPECIFIED? HOW WOULD OUR WAITING ON DECIDING THE SONOMA-NAPA VALLEY AFFECT HISTORICAL OR CURRENT EVIDENCE THAT THE BOUNDARIES OF THE VITICULTURAL AREA ARE SPECIFIED? HOW WOULD THE BUREAU'S WAITING FOR A DECISION ON SONOMA VALLEY AND NAPA VALLEY IMPACT UPON THE EVIDENCE RELATING TO GEOGRAPHICAL FEATURES? PLEASE CLARIFY YOUR POSITION.

MR. MAHONEY: YOU REALLY CAN'T SOLVE THAT PROBLEM. YOU KNOW. I WOULD BE FOOLISH TO STAND IN FRONT OF YOU AND SAY THAT THE LAND A MILE AND A HALF AWAY FROM THE COUNTY LINE IN SONOMA IS DIFFERENT FROM WHAT IS ON THE OTHER SIDE. WHAT I AM TRYING TO DO IS MAKE IT EASY SO WE ALL KNOW THE GROUND RULES THAT WE ARE TALKING ABOUT HERE. AND ONE WAY TO DO IT IS TO DEFINE THE NAPA VALLEY FIRST.

I DON'T THINK ANY OF THE PARTIES THAT HAVE BEEN UP
HERE ON THE SONOMA SIDE WANT TO BE IN THE NAPA VALLEY, AND VICE
VERSA. THIS IS WHERE THEY HAVE FINALLY COME TO ROOTS TO SET UP
THEIR WINERY OR VINEYARD OR WHATEVER. THEY KNEW WHERE THEY BOUGHT
THE PROPERTIES, AND THEY KNOW WHERE THEY PAY THEIR TAXES.

IF YOU DEFINE THAT BUT PUT A CLAUSE IN THERE FOR THE
ABILITY OF LANDOWNERS OWNING CONTIGUOUS PIECES OF PROPERTY TO THE

COUNTY LINE TO DRAW IT EITHER WAY, BUT LET THEM DECIDE WHICH WAY THEY WANT TO GO -- THAT WAY, I DON'T THINK THERE IS ANY CRITICISM THAT WE ARE GOING TO BE, YOU KNOW -- THAT THE BUREAU IS BEING UNFAIR. YOU KNOW. IT IS REALLY -- IT WILL SOLVE A PROBLEM 4 BECAUSE, IF YOU DON'T ADDRESS THES PROBLEM IN NAPA VALLEY OR SONOMA VALLEY, DEFINING CARNEROS, AS SOME PEOPLE HAVE TALKED ABOUT, UP THROUGH THE CITY OF NAPA, THROUGH THE CITY OF SONOMA, WOULD BE TELLING THE CONSUMER ABSOLUTELY NOTHING. I DO NOT SEE HOW IT MEANS ANYTHING.

I COULD GROW GRAPES -- IN FACT, WE HAVE GRAPES WHICH COME OUT ON EIGHTH AVENUE IN SONOMA, BUT WE ALSO MAKE THAT A SONOMA CHARDONNAY. FOR ME TO SAY, WELL, IT IS KIND OF LIKE CARNEROS, IT IS KIND OF -- THE GROUND IS THE SAME. YOU HAVE A TOUGH ENOUGH TIME EXPLAINING IT, YOU KNOW, TO THE PEOPLE AT THE WINERY, WHY I AM BUYING THE GRAPES OVER THERE, WHY I DO NOT BUY EVERYTHING IN CARNEROS. AND, WELL, THE GRAPES ARE DARN GOOD. AND THE WINE IS DARN GOOD. AND THAT'S REALLY WHAT THE CONSUMER IS LOOKING FOR AND WHAT THE WINE IS LOOKING FOR.

AND MAYBE THERE MIGHT BE A SEPARATE APPELLATION SOME DAY ON THE SONOMA SIDE, WHICH WOULD BE HUICHICA CREEK, BUT LET US GET ONE LINE OUT OF THE WAY. MAYBE THE PROPOSAL WILL BE REWRITTEN. MAYBE IT WON'T CALL FOR A SEPARATE CARNEROS APPELLATION, WHICH I THINK IS A MEANINGFUL APPELLATION. PROPOSAL IS NOT WITHOUT MERIT, BUT IT WOULD SEEM TO ME THAT WE CANNOT GET BOGGED DOWN IN A 200-YEAR STUDY BECAUSE THE WINE INDUSTRY IN CALIFORNIA -- WE ARE MOVING LIKE WE PUT THE ASTRONAUTS ON THE MOON.

WE DID NOT PASS ON WHAT I KNEW ABOUT VITICULTURE FROM

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MY GRANDFATHER AND EVERYTHING ELSE. I WAS A SCHOOLTEACHER. I
LEARNED WHAT I WAS DOING BY DOING, IN THE TYPICAL AMERICAN STYLE
AND TYPICAL PIONEERING STYLE. WE DO THINGS. WE MOVE FAST. AND
THE MORE VINEYARDS THAT ARE ESTABLISHED IN THIS GRAY AREA, THE
MORE DIFFICULT IT IS GOING TO BE FOR YOU PEOPLE TO COME BACK AND
TRY TO DIVIDE IT UP.

MOVEMENT ON THE PART OF BATF AND SAY, "THIS IS NAPA, THIS IS SONOMA." AND THEN LET US COME BACK TO YOU AND SAY WE WANT TO BE LOS CARNEROS IN NAPA VALLEY; OR THE OTHER PARTIES ON THE SONOMA SIDE COME OVER AND SAY THEY WANT TO BE LOS CARNEROS. BUT THAT IS A SEPARATE WHOLE BALLGAME. AND I KNOW THAT IS SOMETHING THAT I THINK WE SHOULD BE TALKING ABOUT AFTER WE SEE WHAT THE MAP LOOKS LIKE WITH NAPA.

BUT I WOULD ALSO LIKE TO EMPHASIZE THE FACT THAT I
THINK THE PARTIES WHO HAVE VINEYARDS THAT ARE CONTIGUOUS TO THE
COUNTY LINE OR TO THE NAPA LINE BE ALLOWED TO CHOOSE WHICH WAY
THEY WANT TO GO. AND THEY WOULD JUST PUT A STATEMENT INTO BATF
SAYING, "WE CHOOSE ON SUCH AND SUCH A DATE THAT THAT IS WHO WE
ARE." AND WHOEVER BUYS THE PROPERTY KNOWS WHERE THEY ARE GOING.
SOUNDS SIMPLE. I HOPE IT IS.

THE CHAIRMAN: NOTHING IS SIMPLE. I AM FINDING THAT

MR. MAHONEY: NO, IT ISN'T.

THE CHAIRMAN: THANK YOU VERY MUCH.

MR. IRA LEE.

IRA LEE,

ON BEHALF OF ACACIA WINERY, TESTIFIED AS FOLLOWS:

WE HAVE ALL HEARD A LOT OF VERY GOOD WORDS THIS MORNING, AND SO I DO NOT HAVE AN AWFUL LOT TO OFFER.

BUT I DO HAVE TWO VERY SMALL POINTS, THE FIRST BEING
THAT, IF YOU WERE TO TAKE ANY ONE -- AND I AM GOING TO EXCLUDE
THE SONOMA WINERIES BECAUSE I DO NOT HAVE ANY EXPERIENCE WITH
THEM. BUT, IF YOU WERE TO TAKE ANY ONE OF THE ESTABLISHED
WINERIES IN THE NAPA VALLEY AND GIVE THEM THE CHOICE, "WOULD YOU
RATHER HAVE A PINOT NOIR GRAPE THAT WAS GROWN IN THE CARNEROS
AREA OR ONE IN THE NAPA VALLEY?" THEY WOULD ALL CHOOSE THE
CARNEROS GRAPES, AND THEY KNOW WHERE THOSE GRAPES ARE COMING FROM.
THAT IS THE FIRST THING.

THE SECOND IS THAT I HAVE JUST ASSOCIATED WITH A VERY SMALL WINERY. WE DO NOT HAVE OUR BUILDING BUILT YET, BUT WE HAVE PRODUCED WINES FROM THE LAST TWO VINTAGES. THE WINERY IS ACACIA, A-C-A-C-I-A. AND WE WILL BE BUILDING A WINERY THIS YEAR ON LAS AMIGAS ROAD IN THE CARNEROS REGION. AND THAT IS RIGHT HERE. THIS ROAD IS LAS AMIGAS, AND I WILL SHOW YOU ABOUT WHERE THE WINERY WILL BE. THIS ROAD, AND THE WINERY WILL BE APPROXIMATELY IN HERE.

THIS WINERY WILL CRUSH ONLY CARNEROS GRAPES, WILL ONLY PRODUCE CHARDONNAY AND PINOT NOIR.

FROM THE LAST TWO YEARS, THERE HAVE BEEN FIVE DIFFERENT GROWERS THAT HAVE PRODUCED PINOT NOIR VINTAGES. THESE HAVE ALL BEEN BOTTLED SEPARATELY. AND AS THIS ILLUSTRATION IS OVER HERE, IF I HAD KNOWN ABOUT IT, I COULD HAVE BROUGHT FIVE DIFFERENT BOTTLES, PUT THEM UP ON THE TABLE HERE, AND YOU COULD HAVE SAMPLED THEM. AND, YES, THEY ALL WOULD HAVE BEEN DIFFERENT, AND

YET THEY ARE ALL GROWN FROM A VERY SMALL AREA IN THE CARNEROS REGION. FROM THIS AREA. FROM HERE TO HERE. ALL ENCOMPASSING JUST THIS AREA.

ALL OF THOSE GRAPES ARE GROWN FROM THAT VERY SMALL AREA, AND YET YOU HAVE FIVE DIFFERENT, DISTINCTLY DIFFERENT WINES.

THEY ARE ALL PINOT NOIR. BUT I THINK THAT EVERYONE WOULD AGREE THAT THEY DO HAVE A THREAD OF SOMETHING GOING THROUGH ALL FIVE OF THEM THAT CAN BE IDENTIFIED AND WILL BE IDENTIFIED AS CARNEROS—GROWN GRAPES.

OUR WINERY IS PRODUCING A LABEL THAT SAYS PINOT NOIR,
NAPA VALLEY, CARNEROS REGION, AND IT THEN FURTHER DELINEATES THE
VINEYARD IN WHICH THESE GRAPES WERE GROWN.

THANK YOU. ARE THERE ANY QUESTIONS?
THE CHAIRMAN: THANK YOU, MR. LEE.
MR. BOB TRINCHERO.

BOB TRINCHERO,

ON BEHALF OF THE NAPA VALLEY VINTNERS, TESTIFIED AS FOLLOWS:

MY NAME IS BOB TRINCHERO. I AM PRESIDENT OF THE NAPA
VALLEY VINTNERS. I WOULD LIKE TO READ TO YOU A LETTER WHICH WAS
SUBMITTED TO ME BY ONE OF OUR MEMBERS, WHICH, I THINK, TYPIFIES
OUR STAND CONCERNING CARNEROS AND NORTH COAST:

"THE HEARINGS FOR THE CARNEROS AND NORTH COAST APPELLATION ARE ILL-CONCEIVED AND UNTIMELY. BY HOLDING THE
HEARINGS AT THIS TIME, THE BATF IS BEING EXTREMELY
UNFAIR TO THOSE WHO SPONSOR THE NAPA VALLEY APPELLATION,
AS WELL AS TO THE UNSUSPECTING ADVOCATES OF THE CARNEROS
AND NORTH COAST APPELLATIONS.

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"YOU OF THE BATF MAY NOT HAVE RECOGNIZED YOUR UNFAIR-NESS, BUT IT IS, NEVERTHELESS, A FACT THAT THESE HEARINGS ARE UNFAIR BECAUSE YOU ARE ALLOWING THE CARNEROS HEARINGS TO PROCEED WITHOUT INDICATING IN ADVANCE THE ANSWERS TO ANY OF THE FOLLOWING QUESTIONS:

- "(1) WILL THE CARNEROS REGION IN THE NAPA VALLEY INCLUDE THE NAPA VALLEY APPELLATION AREA?
- "(2) IS IT LEGALLY POSSIBLE FOR SOME GRAPE GROWERS OR SOME GRAPE-GROWING AREAS TO BE IN TWO OR MORE APPELLATION AREAS AT THE SAME TIME? IF SO, WILL THE WINERIES WHO CRUSH, VINTIFY, AND BOTTLE WINE FROM GRAPES GROWN IN SUCH AN AREA BE FREE TO CHOOSE THE APPELLATION TO BE USED ON THE LABEL?
- "(3) WILL IT BE LEGALLY POSSIBLE TO USE TWO APPELLATION AREAS ON THE SAME LABEL WHEN THE WINE IS FROM GRAPES GROWN IN AN AREA THAT IS WITHIN TWO APPELLATION AREAS?

"THE ANSWERS TO THESE QUESTIONS ARE EXTREMELY IMPORTANT TO ANYONE TRYING TO DECIDE WHETHER TO SUPPORT OR OPPOSE THE CARNEROS AND NORTH COAST APPELLATIONS. IT IS ALTOGETHER DIFFERENT FOR SOMEONE TO DISCOVER THAT HE MUST USE CARNEROS APPELLATION WHEN HE WAS EXPECTING TO USE CARNEROS-NAPA VALLEY.

"INSTEAD, THERE IS A PROCEDURAL RULE-MAKING STEP THAT HAS BEEN OMITTED HERE. AND TO PROCEED WITH THESE HEARINGS TO A CONCLUSION IS A MISTAKE, UNFAIR AND OPPRESSIVE."

THE FEELING OF THE NAPA VALLEY VINTNERS IS TO OPPOSE AT THIS TIME THE CARNEROS APPELLATION.

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THE CHAIRMAN: THANK YOU.

MRS. KIRK: I WOULD JUST LIKE TO REPEAT TO YOU, AND MAYBE FRAME IT BETTER, MY PREVIOUS QUESTION. THE BUREAU HAS CERTAIN FACTORS IT MUST CONSIDER IN ORDER TO ESTABLISH A VITI-CULTURAL AREA. ALTHOUGH YOU PRESENT THREE VERY IMPORTANT QUESTIONS THAT MUST BE ANSWERED, THOSE QUESTIONS DON'T REALLY RELATE TO THE FOUR CRITERIA SET IN THE REGULATIONS TO ESTABLISH THE VITICULTURAL AREA. COULD YOU RELATE THEM FOR ME.

MR. TRINCHERO: WELL, I DO NOT KNOW IF I FULLY UNDER-STAND YOUR QUESTION. BUT OUR POSITION IS REALLY QUITE SIMPLE. FIRST, WE WANT TO KNOW WHERE THE NAPA VALLEY IS AND WHERE THE SONOMA VALLEY IS. AND IF CARNEROS IS TO BE DEFINED, IT PROBABLY SHOULD BE DEFINED, RATHER THAN AS A VITICULTURAL AREA, BUT MORE AS A SUBVITICULTURAL AREA. AND I SEE NO REASON WHY THE CARNEROS GROWER OR VINTNER CANNOT PUT ON HIS LABEL -- PERHAPS ON THE BACK LABEL OR SIDE LABEL OR SOME PLACE THAT IS NOT DIRECTLY CONNECTED -- NAPA OR SONOMA VALLEY ON THE LABEL AS AN APPELLATION TO DESCRIBE WHERE THE GRAPES CAME FROM. I SEE NO REASON WHY YOU CANNOT CALL THE WINE NAPA VALLEY CHARDONNAY AND THEN SOMEWHERE ELSE ON THE LABEL DESCRIBE THESE GRAPES WERE GROWN WHOLLY OR IN WHAT PER CENT IN THE CARNEROS DISTRICT.

TO ME, A VITICULTURAL DESIGNATION ARE WORDS THAT PRECEDE OR DESCRIBE THE WINE TYPE. FOR INSTANCE, NAPA VALLEY, PINOT NOIR. BUT I SEE NO REASON WHY SOMEWHERE ELSE ON THE LABEL YOU CANNOT DESCRIBE WHERE THE GRAPES CAME FROM.

AND HISTORICALLY WE ALL KNOW WHERE CARNEROS IS. OKAY.

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ANY VITICULTURAL AREA.

MAYBE WE DO NOT DEFINE IT TO THE FINE LINE. BUT I AM SURE HISTORICALLY ALL THE GROWERS AND VINTNERS THAT HAVE USED THE APPELLATION CARNEROS SHOULD BE ALLOWED TO USE IT. BUT NOT AS AN APPELLATION AT THIS TIME. THEY SHOULD BE ABLE TO PUT IT SOMEWHERE ELSE ON THE LABEL.

CONSUMERS ARE VERY SOPHISTICATED NOW, AND THEY READ EVERY WORD THAT IS ON THE LABEL. SO WHAT IS THE DIFFERENCE IF CARNEROS IS ON THE FRONT, PRECEDING THE WORD CHARDONNAY, OR ON THE BACKSIDE OR BOTTOM OF THE LABEL TELLING THE CONSUMER WHERE THE GRAPES CAME FROM? THAT WOULD SOLVE THE PROBLEM FOR NOW UNTIL WE CAN GET DOWN TO THE FINITE OF WHAT IS CARNEROS, THE ACTUAL BORDERS BECAUSE NOW YOU ARE TALKING ABOUT A MUCH SMALLER AREA THAN NAPA VALLEY OR SONOMA VALLEY. AND THE SMALLER THE AREA, THE MORE DEFINED YOU MUST BE. AND LET US FACE IT. ALL OF NAPA VALLEY IS NOT THE SAME. WE ALL UNDERSTAND THIS. CALISTOGA IS DEFINITELY NOT CARNEROS.

BUT WE HAVE TO START SOMEWHERE. AND IN THE MIND OF THE CONSUMERS -- WHICH IS, AFTER ALL, WHY WE ARE HERE -- BIG IS BAD; SMALL IS GOOD. SO AS YOU GET SMALLER, YOU HAD BETTER REALLY THINK LONG AND HARD WHEN YOU DEFINE AN AREA. AND THE SMALLER YOU GET, THE TOUGHER IT IS GOING TO BE.

DOES THAT ANSWER YOUR QUESTION? I AM NOT SURE.

THE CHAIRMAN: I AM NOT SURE IT DOES, EITHER, BUT I AM NOT SURE THE QUESTION IS -- IT IS ANSWERABLE. I DON'T KNOW IF ANYBODY WANTS TO ANSWER IT, THOUGH.

THERE ARE THE FOUR CONDITIONS FOR THE ESTABLISHMENT OF

MR. TRINCHERO: I SEE.

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THE CHAIRMAN: HOW DOES APPROVAL OF ONE, TWO, THREE, OR FOUR MATTER IF YOU ARE GOING TO DEAL WITH THIS SPECIFIC ONE? ON THOSE FOUR ISSUES, WHY IS THE TIMING OF ANY PRIOR APPROVAL --

MR. TRINCHERO: YOU MEAN WHY DO WE WANT THE NAPA VALLEY FIRST AND THEN --

THE CHAIRMAN: YES.

MR. TRINCHERO: I DON'T KNOW IF I CAN ANSWER THAT.

THE CHAIRMAN: THAT IS WHAT I AM SAYING. I AM NOT SURE THAT IT IS ANSWERABLE.

MR. TRINCHERO: AS THE REPRESENTATIVE OF THE NAPA VALLEY VINTNERS, WE WOULD JUST LIKE TO HAVE OUR APPELLATION NOW, AND THEN GO --

MR. GEORGE: IN THE INTEREST OF THE BUREAU'S BECOMING LESS UNFAIR AND LESS OPPRESSIVE --

MR. TRINCHERO: THOSE WERE NOT MY WORDS.

MR. GEORGE: YOU POSED SOME INTERESTING QUESTIONS IN YOUR LETTER TO US, AND I THINK THE ESSENCE OF THE RULE-MAKING PROCESS IS PUBLIC PARTICIPATION. AND PERHAPS YOU COULD POSE SOME ANSWERS TO THE QUESTIONS, SUBMIT IT TO THE BUREAU TO HELP US IN THE RULE-MAKING PROCESS. BECAUSE WHATEVER WE COME UP WITH IS ONLY GOING TO BE AS GOOD AS THE INPUT WE GET. AND I THINK THAT IS THE ESSENCE OF WHAT WE ARE DOING HERE.

MR. TRINCHERO: I SHOULD MENTION THAT THE LETTER WAS WRITTEN BY WILLIAM P. JAEGER, WHO IS PRESIDENT OF RUTHERFORD HILL, WHO IS A LAWYER. HOWEVER, THE ESSENCE IS THERE.

I WOULDN'T HAVE USED OPPRESSIVE.

MR. GEORGE: BUT WOULD YOUR ASSOCIATION BE WILLING TO SUBMIT SOME WRITTEN COMMENTS AND POSE ANSWERS TO THESE QUESTIONS?

MR. TRINCHERO: WE DEFINITELY WILL. YES.

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IT UP, I UNDERSTAND?

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MR. GALLICCHIO: UNDER SECTION 9?

MR. GRAHAM: CORRECT.

MR. GALLICCHIO: SO WHAT WE ARE SAYING IS, IF A PERSON IN "C" OVER HERE WANTS TO PUT ON HIS LABEL THE UNITED STATES, HE

VICTOR GALLICCHIO,

THE CHAIRMAN: MR. GALLICCHIO, YOU ARE GOING TO WIND

FURTHER TESTIFIED AS FOLLOWS:

TWO MINUTES.

I THINK ONE OF THE THINGS THAT HAS TO BE CLARIFIED --WE ARE TALKING ABOUT SOME TECHNICAL THINGS, ONE BEING THAT WE ARE DISCUSSING THE SECTION 9. I AM SURE NOBODY HERE KNOWS WHAT IT IS. IT IS THE VITICULTURAL AREAS. WE ARE NOT DISCUSSING SECTION 4 OF THE FAA ACT, WHICH IS THE LABELLING FACTOR.

BUT, FIRST OF ALL, NAPA VALLEY IS A -- SHOULD I SAY A PRIVILEGE GIVEN TO THE NAPA COUNTY WINEMAKERS AND GROWERS, OR WHATNOT, IN LIEU OF THE WORDS NAPA COUNTY? AM I CORRECT ON THAT, MR. GRAHAM?

MR. GRAHAM: WHAT?

MR. GALLICCHIO: UNDER SECTION 4, WE ARE ALLOWED COUNTRIES, COUNTIES, AND WHATNOT AS APPELLATION OF ORIGIN. SO IT IS ACTUALLY NAPA COUNTY WE ARE TALKING ABOUT TODAY. NAPA VALLEY IS A SUB OR MICROCLIMATIC AREA THAT IS GOING UNDER SECTION 9; IS THAT CORRECT?

MR. GRAHAM: WE ARE DEFINING OR TRYING TO DEFINE WHAT THIS VITICULTURAL AREA IS.

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MR. GRAHAM: I WOULD JUST LIKE TO FURTHER COMMENT ON

CAN. IF HE WANTS TO PUT ON CALIFORNIA, HE CAN. IF HE WANTS TO PUT ON NAPA VALLEY, HE CAN. IF HE WANTS TO PUT ON CARNEROS, HE CAN.

I HAVE NO OBJECTIONS, AS I SAID AT THE FIRST. TO STATEMENTS WHERE THE BOUNDARIES ARE. BUT WE DO HAVE TO KEEP IN MIND SECTION 4 OF THE FAA ACT, THAT THE GEOPOLITICAL BOUNDARIES ARE A VERY IMPORTANT FACTOR HERE BECAUSE THAT IS WHAT GOVERNS SECTION 4 OF THE FAA ACT, COUNTIES, COUNTRIES, AND WHATNOT.

AND I AGREE WITH MRS. KIRK THAT IT DOES NOT MATTER IF WE HAD STAGS LEAP UP THERE OR GEYSER PEAK FIRST. EACH ONE HAS TO BE RULED ON ITS OWN MERITS.

THE REGULATIONS REQUIRE USGS MAPS, NOT A MAP PRODUCED BY MR. "X".

MR. MERRITT'S TESTIMONY LED ME TO BELIEVE THAT THE NAPA VALLEY AND THE SONOMA VALLEY WINE ARE THE SAME BECAUSE THE SOIL IS THE SAME. THEN HOW COME THEY USE A COUNTY LINE TO SEPARATE THEM FOR THE GREATER PART OF THEIR SEPARATION IN THE NORTHERN PART? WHAT IS BUENA VISTA DOING TODAY BECAUSE THE COUNTY LINE IS GOVERNING THEIR APPELLATION? IT GOES RIGHT THROUGH THEIR VINEYARD.

DO WE WANT TO NOW SAY THAT THEY CAN DO AS THEY PLEASE? I DO NOT THINK THAT IS FAIR TO THE CONSUMER. I THINK WE HAVE TO KEEP THE GEOPOLITICAL BOUNDARIES WHICH ARE UNDER SECTION 4 PREDOMINANT. EITHER THAT, OR REWRITE NO. 4, WHICH WE ARE NOT DOING HERE TODAY. WE ARE REWRITING 9, WHICH IS VITICULTURAL AREAS, SUBSECTIONS OF THE UNITED STATES, COUNTIES, STATE, AND SO FORTH. THAT IS IT.

1 WHAT MR. GALLICCHIO HAS SAID. 2 THE BUREAU HAS PERMITTED WELL-KNOWN VITICULTURAL AREAS 3 AS FAR AS DESIGNATING WINES. FOR YEARS, THEY HAVE NEVER BEEN CLEARLY DEFINED. THE GREAT NAPA VALLEY IN THE SKY WAS VERY 4 5 CONTROVERSIAL, TOO. WHERE IS IT? 6 THAT IS WHAT WE ARE HERE FOR. WE ARE TRYING TO DEFINE IT NOW. IT HAS BEEN USED FOR YEARS, AND IT GOES BACK TO THE NAPA 8 VALLEY HEARINGS. THERE WAS CONTROVERSY HERE. 9 NORTH COAST HAS BEEN USED FOR YEARS. ALL WE ARE TRYING 10 TO DO IS PUT A BOUNDARY, GEOGRAPHICAL BOUNDARY ON THESE THAT WILL CLARIFY, DEFINE FOR THE CONSUMER. 11 12 THANK YOU. MR. GALLICCHIO: FOR THE RECORD, MR. DRAKE, I MIGHT SAY 13 14 THAT WE HAVE NO OBJECTION TO A SONOMA-CARNEROS. THE CHAIRMAN: THANK YOU. 15 16 I THANK YOU FOR YOUR PATIENCE. WE WENT QUITE A BIT LONGER THAN ONE OR TWO PEOPLE I THOUGHT WERE GOING TO COME. 17 18 THAT CONCLUDES THIS HEARING ON LOS CARNEROS. THANK YOU. 19 (PROCEEDINGS CONCLUDED AT 2:00 P.M.) 20 21 22 23

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