

(8) Easterly in a straight line to the peak of Mount Hood;

(9) Easterly in a straight line to an unnamed peak located on the Sonoma County-Napa County line and identified as having an elevation of 2,530 feet (This unnamed peak is located in the northeast quarter of Section 9, Township 7 North, Range 6 West, Mt. Diablo Base and Meridian);

(10) Southerly along the Sonoma County-Napa County line to the point at which Sonoma Creek enters San Pablo Bay; and

(11) Southwesterly along the shore of San Pablo Bay to the beginning point.

Signed: October 9, 1981.

G. R. Dickerson,
Director.

Approved: November 18, 1981.

John P. Simpson,

Acting Assistant Secretary (Enforcement and Operations).

[FR Doc. 81-34780 Filed 12-3-81; 8:45 am]

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27 CFR Part 9

[T.D. ATF-98; Ref: Notice No. 360]

Establishment of Santa Cruz Mountains Viticultural Area, California

AGENCY: Bureau of Alcohol, Tobacco and Firearms, Treasury.

ACTION: Final rule, Treasury decision.

SUMMARY: This final rule establishes a viticultural area in portions of San Mateo, Santa Clara, and Santa Cruz Counties, California, to be named "Santa Cruz Mountains." The Bureau of Alcohol, Tobacco and Firearms (ATF) believes the establishment of viticultural areas and their subsequent use as appellations of origin in wine labeling and advertising will allow wineries to better designate the specific grape-growing areas where their wines come from and will enable consumers to better identify the wines they purchase.

EFFECTIVE DATE: January 4, 1982.

FOR FURTHER INFORMATION CONTACT: Roger L. Bowling, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226 (202-566-7626).

SUPPLEMENTARY INFORMATION:

Background

On August 23, 1978, ATF published Treasury Decision ATF-53 (43 FR 37671, 54624) revising regulations in 27 CFR Part 4. These regulations allow for the establishment of definite viticultural areas. The regulations also allow the name of an approved viticultural area to

be used as an appellation of origin in wine labeling and advertising.

Section 4.25a(e)(1) defines an American viticultural area as a delimited grape-growing region distinguishable by geographic characteristics. Section 4.25a(e)(2) outlines the procedures for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area.

The Santa Cruz Mountains Vintners submitted a petition to establish a viticultural area in portions of San Mateo, Santa Clara, and Santa Cruz Counties, California, to be named "Santa Cruz Mountains." In response to this petition, ATF published a notice of proposed rulemaking, Notice No. 360, in the Federal Register on December 15, 1980 (45 FR 82275), proposing the establishment of the Santa Cruz Mountains as a viticultural area.

Public Hearing

A public hearing was held on this issue on January 19, 1981, in Santa Clara, California. Nine persons testified at the hearing. The evidence gathered at this hearing and the petition and comments received was sufficient for ATF to base its final decision concerning the Santa Cruz Mountains.

Historical and Current Evidence of the Name

Testimony at the hearing established that the name, "Santa Cruz Mountains", was used to designate an area having a long history as a grape-growing region in California.

The area has been recorded as the "Santa Cruz Mountains" since 1838. As early as 1867, when the first government surveyor laid section lines in the area, the vineyards of the region were noted. Moreover, numerous books and articles dealing with wine refer to the "Santa Cruz Mountains" as a specific grape-growing area. Testimony was also received which indicated that although the proposed area encompassed parts of three counties, the "Santa Cruz Mountains" constitutes a well-defined area forming a distinct geographical and phytogeographical unit.

ATF believes this testimony establishes the historical and current use of the name, Santa Cruz Mountains, as a distinguishable region and is the most appropriate for the viticultural area.

Geographical Evidence

In accordance with 27 CFR 4.25a(e)(2), a viticultural area should possess geographical features which distinguish the viticultural area from surrounding

grape-growing areas. The petitioner claimed the "Santa Cruz Mountains" possesses a soil type, climate, and protective setting which provides a singular viticultural identity.

The petitioner stated that the "Santa Cruz Mountains" is characterized by a climate which is greatly influenced in the western portion by the Pacific Ocean breezes and fog movements, and in the eastern portion by the moderating influences of the San Francisco Bay. These two influences tend to produce weather which is generally cool during the growing season. Temperatures in the slopes of the hillsides where most of the vineyards are located appear to vary from that at the lower elevations. This is caused by the marine influence coming off the Pacific Ocean which cools the mountains at night much more than the valley floor.

The area is characterized by a growing season in excess of 300 days. This is apparently due to cool air coming down the mountains forcing warmer air upward, thereby lengthening the season in which the necessary conditions for grape-growing are present. Moreover, while the climate, in terms of temperature can be characterized as mild, the "Santa Cruz Mountains" has an average rainfall much greater than the surrounding areas.

The soils in the proposed area were identified as Franciscan shale which is unique to this particular area south of San Francisco. The soil is basically residual material from the decomposition of bedrock and the soil types in the area differ depending on the type of underlying bedrock. Generally, these residual soils tend to be thin and stony, and somewhat excessively drained. They were characterized as impoverished, making it extremely difficult to grow grapes. This contrasts greatly with the soil of the surrounding area which is primarily alluvium and is more fertile.

Based on this evidence, ATF has determined that the Santa Cruz Mountains is viticulturally distinguishable from the surrounding areas. This is based upon the evidence presented regarding the rainfall, soil, and general climate. The Santa Cruz Mountains can be seen as a defined area exhibiting features and characteristics unique to its boundaries when compared to the surrounding area.

Boundaries

The boundaries of the "Santa Cruz Mountains" viticultural area are based, in general, on contour lines and man-made features. Evidence was presented at the hearing that the contour lines

varied to different levels to include an area exhibiting the same general geophysical characteristics, e.g. climate, soil, and topographic features.

Portions of the boundaries of the viticultural area are marked by man-made features, e.g. Highways 280 and 84, and Canada Road on the east. Testimony revealed that these roads were chosen because they delimit the particular geographical and climatic features of the area.

ATF believes that viticultural area boundaries based solely on man-made features are inappropriate. However, where man-made features, such as highways, coincide with the distinguishing geographical features, or provide a demarcation line between grape-growing areas and areas unsuitable for grape-growing, it is appropriate to use such features in describing boundaries. ATF believes that in the case of "Santa Cruz Mountains", the boundaries in the regulations delineate an area with distinguishing climatic and topographic features.

Testimony was given at the hearing by two persons whose property was not included within the proposed area. They were advised that they could submit petitions to amend the boundaries to include their property. Subsequently, one of these persons submitted a petition, along with the appropriate U.S.G.S. map (Cupertino Quadrangle). This petition indicated that the excluded property had similar geographical features to that of the proposed area. Further, the excluded area's soil quality and climatic conditions exhibit the same characteristics of the proposed area. Therefore, ATF believes this property should be included within the Santa Cruz Mountains viticultural area.

ATF received a petition from the second individual who testified at the public hearing and who requested that the boundary be lowered from the 400-foot contour line to either the 250 or 300-foot contour line. This individual indicated that while he has no vineyards at present, he anticipated planting approximately 15 to 20 acres of grapes in the future. No supporting documents or the appropriate U.S.G.S. map was submitted with this letter. Therefore, ATF is taking no action on this petition at this time because of insufficient data.

A third person submitted a petition, along with the appropriate U.S.G.S. map (Mt. Madonna Quadrangle) to amend the boundaries of the viticultural area. Specifically, this petition maintains three vineyards would have been bisected by the proposed area. The petitioner indicated that the two vineyards in the excluded area,

comprising a total of eight acres, had similar geographical features to that of the eleven acre vineyard which was included within the area. Based on this petition, ATF is amending the boundary to include all three vineyards within the viticultural area.

A fourth person submitted a petition, along with the appropriate U.S.G.S. map (Cupertino Quadrangle) to amend the boundaries. This petition maintains that a vineyard would be bisected by the proposed boundary. The petitioner claims that the excluded area exhibits the same climatic and soil characteristics of the vineyard area included within the area. Based on this evidence, ATF is amending the boundary to include the entire vineyard within the Santa Cruz Mountains viticultural area.

Other than the three additions previously discussed, ATF is approving the boundaries of the Santa Cruz Mountains viticultural area as proposed. This decision is based on the petitions, the testimony presented at the hearing, and comments received.

Miscellaneous

ATF does not wish to give the impression that by approving the Santa Cruz Mountains viticultural area it is approving the quality of the wine from that area or endorsing the wine. ATF is approving the area as being viticulturally distinct from surrounding areas, not better than other areas. By approving this area, wine producers are allowed to claim a distinction on labels and advertisements as to the origin of the grapes. Any commercial advantage gained can only be substantiated by consumer acceptance of Santa Cruz Mountains wines.

Disclosure

Copies of the hearing proceeding are available for inspection during normal business hours at the following two locations: ATF Reading Room, Office of Public Affairs and Disclosure, Room 4405, 12th & Pennsylvania Avenue, NW, Washington, D.C.; and, at the Office of the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco and Firearms, 34th Floor, 525 Market Street, San Francisco, California.

Compliance With Executive Order 12291

In compliance with Executive Order 12291, ATF has determined that this final rule is not a major rule since it will not result in—

- (a) An annual effect on the economy of \$100 million or more;
- (b) A major increase in cost or prices for consumers, individual industries,

Federal, State, or local government agencies, or geographical regions; or

(c) Significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

Regulatory Flexibility Act

This final rule relates to a notice of proposed rulemaking published prior to January 1, 1981, and therefore, is not subject to the authority of the Regulatory Flexibility Act.

Drafting Information

The principal author of this document is Roger L. Bowling, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms. However, personnel in other offices of the Bureau also participated in preparation of this document, both in matters of substance and style.

Authority and Issuance

Accordingly, under the authority contained in Section 5 of the Federal Alcohol Administration Act (49 Stat. 981 as amended; 27 U.S.C. 205), 27 CFR Part 9 is amended as follows:

PART 9—AMERICAN VITICULTURAL AREAS

Paragraph 1. The table of sections in 27 CFR Part 9, Subpart C, is amended to add the title of § 9.31 to read as follows:

Subpart C—Approved American Viticultural Areas

Sec.

*	*	*	*	*
9.31	*	*	*	*
*	*	*	*	*

Santa Cruz Mountains.

Paragraph 2. Subpart C is revised by adding § 9.31 to read as follows:

Subpart C—Approved American Viticultural Areas

§ 9.31 Santa Cruz Mountains.

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

(b) *Approved Maps.* The 24 approved U.S.G.S. maps for determining the boundaries are 23 7.5 minute scale and one 5 × 11 minute scale.

(1) "Ano Nuevo Quadrangle, California";

(2) "Big Basin Quadrangle, California";

(3) "Castle Rock Ridge Quadrangle, California";

(4) "Cupertino Quadrangle, California";

- (5) "Davenport Quadrangle, California—Santa Cruz County";
- (6) "Felton Quadrangle, California—Santa Cruz County";
- (7) "Franklin Point Quadrangle, California";
- (8) "Half Moon Bay Quadrangle, California—San Mateo County";
- (9) "La Honda Quadrangle, California—San Mateo County";
- (10) "Laurel Quadrangle, California";
- (11) "Loma Prieta Quadrangle, California";
- (12) "Los Gatos Quadrangle, California";
- (13) "Mt. Madonna Quadrangle, California";
- (14) "Mindogo Hill Quadrangle, California";
- (15) "Morgan Hill Quadrangle, California—Santa Clara County";
- (16) "Palo Alto Quadrangle, California";
- (17) "San Gregorio Quadrangle, California—San Mateo County";
- (18) "San Mateo Quadrangle, California—San Mateo County";
- (19) "Santa Teresa Hills Quadrangle—Santa Clara County";
- (20) "Soquel Quadrangle, California—Santa Cruz County";
- (21) "Watsonville East Quadrangle, California";
- (22) "Watsonville West Quadrangle, California";
- (23) "Woodside Quadrangle, California—San Mateo County"; and
- (24) One 5 × 11 minute series map entitled: "Santa Cruz, California."
- (c) *Boundaries.* The Santa Cruz Mountains viticultural area is located in portions of San Mateo, Santa Clara, and Santa Cruz Counties, California.
- (1) From the beginning point where Highway 92 and the 400-foot contour line intersect (Half Moon Bay Quadrangle), the boundary line follows Highway 92, beginning in a southeasterly direction, to a point where Highway 92 and the 400-foot contour line intersect (San Mateo Quadrangle);
- (2) Thence along the 400-foot contour line, beginning in a southeasterly direction, to a point where the 400-foot contour line and Canada Road intersect (Woodside Quadrangle);
- (3) Thence along Canada Road, beginning in a southerly direction, to a point where Canada Road and Highway 280 intersect (Woodside Quadrangle);
- (4) Thence along Highway 280, beginning in a southeasterly direction, to a point where Highway 280 and 84 intersect (Palo Alto Quadrangle);
- (5) Thence along Highway 84, beginning in a southwesterly direction, to a point where Highway 84 and Mountain Home Road intersect (Woodside Quadrangle);

(6) Thence along Mountain Home Road, beginning in a southerly direction, to a point where Mountain Home Road and Portola Road intersect (Palo Alto Quadrangle);

(7) Thence along Portola Road, beginning in a westerly direction, to a point where Portola Road and Highway 84 intersect (Woodside Quadrangle);

(8) Thence along Highway 84, beginning in a southwesterly direction, to a point where Highway 84 and the 600-foot contour line intersect (Woodside Quadrangle);

(9) Thence along the 600-foot contour line, beginning in a northeasterly direction, to a point where the 600-foot contour line and Regnart Road intersect (Cupertino Quadrangle);

(10) Thence along Regnart Road, beginning in a northeasterly direction, to a point where Regnart Road and the 400-foot contour line intersect (Cupertino Quadrangle);

(11) Thence along the 400-foot contour line, beginning in a southerly direction, to a point where the 400-foot contour line and the north section line of Section 35, T. 6 S./R. 2 W, intersect (Cupertino Quadrangle);

(12) Thence along the north section line of Sections 35 and 36, in an easterly direction, to a point where the section line and Highway 85 intersect (Cupertino Quadrangle);

(13) Thence along Highway 85, in a southerly direction, to a point where Highway 85 and the southern section line of Section 36 intersect (Cupertino Quadrangle);

(14) Thence along the section line, in a westerly direction, to a point where the section line and the 600-foot contour line intersect (Cupertino Quadrangle);

(15) Thence along the 600-foot contour line, beginning in a southerly direction, to a point where the 600-foot contour line and Pierce Road intersect (Cupertino Quadrangle);

(16) Thence along Pierce Road, in a southerly direction, to a point where Pierce Road and the 800-foot contour line intersect (Cupertino Quadrangle);

(17) Thence along the 800-foot line, beginning in a northwesterly direction, to a point where the 800-foot contour line and the east section line of Section 25, T. 10 S./R. 2 E., intersect (Mt. Madonna Quadrangle);

(18) Thence along the east section line, in a southerly direction, to a point where this section line and the 800-foot contour line intersect (Mt. Madonna Quadrangle);

(19) Thence along the 800-foot contour line, beginning in a southeasterly direction, to a point where the 800-foot contour line and Highway 152 intersect (Watsonville East Quadrangle);

(20) Thence along Highway 152, in a southwesterly direction, to a point where Highway 152 and the 400-foot contour line intersect (Watsonville East Quadrangle);

(21) Thence along the 400-foot contour line, beginning in a northwesterly direction, to a point where the 400-foot contour line and the Felton Empire Road intersect (Felton Quadrangle);

(22) Thence along Felton Empire Road, in an easterly direction, to a point where Felton Empire Road and Highway 9 intersect (Felton Quadrangle);

(23) Thence along Highway 9, in a southerly direction, to a point where Highway 9 and Bull Creek intersect (Felton Quadrangle);

(24) Thence along Bull Creek, beginning in a southwesterly direction, to a point where Bull Creek and the 400-foot contour line intersect (Felton Quadrangle); and

(25) Thence along the 400-foot contour line, beginning in a southeasterly direction, back to the point of beginning.

Signed: November 3, 1981.

G. R. Dickerson,

Director.

Approved: November 18, 1981.

John P. Simpson,

Assistant Secretary (Enforcement and Operations).

[FR Doc. 81-34506 Filed 12-3-81; 8:45 am]

BILLING CODE 4810-31-M

27 CFR Part 9

[T.D. ATF-97; Ref: Notice No. 368]

McDowell Valley Viticultural Area; Establishment

AGENCY: Bureau of Alcohol, Tobacco and Firearms, Treasury.

ACTION: Final rule. Treasury decision.

SUMMARY: This final rule establishes a viticultural area in Mendocino County, California, to be named "McDowell Valley." The Bureau of Alcohol, Tobacco and Firearms (ATF) believes the establishment of McDowell Valley as a viticultural area and its subsequent use as an appellation of origin on wine labels and in wine advertisements will help consumers better identify the wines from this area and will help winemakers distinguish their products from wines originating in other areas.

EFFECTIVE DATE: January 4, 1982.

FOR FURTHER INFORMATION CONTACT: E. J. Ference, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, D.C. 20226, (202-566-7626).