

Petition To Amend The Boundary Of The Russian River Valley Viticultural Area

INTRODUCTION:

This petition is submitted by Gallo Family Vineyards seeking to amend the southeast boundary of the Russian River Valley viticultural area to include the area shown as the "Proposed Addition" in Figure 1. This is not a petition for a new viticultural area, nor is it a petition to create a new viticultural area within an existing viticultural area. Further, granting this petition would not conflict with any existing brand rights.

The proposed expansion area would add 14,044 acres to the Russian River Valley viticultural area, approximately a 9% increase in acreage. This acreage lies almost entirely within the Russian River watershed and has all of the significant distinguishing features of the Russian River Valley viticultural area. As of the date of this Petition, the proposed expansion area contained approximately 550 acres planted to grapes. Petitioner's Two Rock Ranch Vineyard has 350 acres planted to grapes and lies near the southern end of the proposed expansion area.

History of the establishment of the Russian River Valley Viticultural Area

The Russian River Valley viticultural area has been in existence for almost 24 years. It was originally established by Treasury Decision ATF-159, dated October 21, 1983. It was expanded in 2003 (Treasury Decision TTB-7, effective December 2, 2003), and was expanded again in 2005 (Treasury Decision TTB-32, effective October 11, 2005). The current boundary of the Russian River Valley viticultural

area is set forth in the Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations at 27 CFR 9.66.

The Russian River Valley viticultural area now consists of 155,000 acres in central Sonoma County, California, about 50 miles north of San Francisco.¹ Approximately 15,710 acres are planted to wine grapes.² T.D. ATF-159 described the distinguishing features of the Russian River Valley viticultural area as follows:

The Russian River viticultural area includes those areas through which flow the Russian River or some of its tributaries and where there is a significant climate effect from coastal fogs. The specific growing climate is the principal distinctive characteristic of the Russian River Valley viticultural area.

The 2005 expansion of Russian River Valley viticultural area approved in T.D. TTB-32 added 30,200 acres to the east and south of the viticultural area, increasing its size by over 24%.

Summary of Factors Supporting the Proposed Expansion

- The 2005 Russian River expansion created an artificial line for the southeast boundary. This line proceeds south down the US 101 corridor and then abruptly turns due west at Todd Road. On a map, the Russian River Valley viticultural area appears to have a “bite” taken out of the southeastern corner

¹ T.D. TTB-32 gives the area of the Russian River Valley viticultural area as 126,600 acres after the last expansion. This was apparently based on information provided by the Russian River Valley Winegrowers, the petitioners in that rulemaking. Since then, the area of the Russian River Valley viticultural area has been recalculated as 154,984 acres by Ray Carlson & Associates, Inc., a recognized surveying firm, as shown on Exhibit 1. The Russian River Valley Winegrowers reports the acreage of the viticultural area as 155,000 acres at page 3 under “Farming Facts” in its current “Guide to the Russian River Valley”. (See Exhibit 2.)

² As estimated by the Russian River Valley Winegrowers. (See Exhibit 2.)

notwithstanding the fact that the proposed expansion area shares common features of climate, soil, and watershed.

- Evaluation of current climate information in terms of the recognized criteria for the Marine and Coastal Cool climatic zones within Sonoma County leads to the conclusion that the expansion area is consistent with the Coastal Cool climate of the Russian River Valley viticultural area.
- In particular, the Winkler system degree-day data for the proposed expansion area lies well within the degree-day data range for the vineyards cited as support for the 2005 expansion of the Russian River Valley viticultural area. The degree-day data for the proposed expansion area is very close to the degree-day data for the Bloomfield vineyard, which is at the present southern boundary of the viticultural area adjacent to the proposed expansion area. (See Figure 4.)
- Virtually the entire proposed expansion area is included in the Russian River watershed.
- The soil and topography of the expansion area are consistent with the soil and topography found in the 2005 expansion and throughout the Russian River Valley viticultural area.
- There is no impact on current wine labels.
- The proposed expansion area meets the TTB objective of designating viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify the wines they purchase.

Proposed Expansion Boundaries

The proposed expansion corrects the southeastern boundary of the Russian River Valley viticultural area. From the point where the southern boundary of the existing Russian River Valley viticultural area now abruptly turns north, the new boundary line instead continues generally to follow the ridge that defines the Russian River watershed on its southern flank. The new boundary line turns north at US 101 and continues until it meets the southeast corner of the existing boundary. The area added by this boundary change lies almost entirely within the Russian River watershed and exhibits the same climate effect from fog and other characteristics that are the key distinguishing features of the Russian River Valley viticultural area.

Materials Included in Support of the Petition

Section 9.3(b) of the TTB regulations requires the following to be shown in support of the proposed expansion:

- (1) Evidence that the name of the viticultural area is locally and/or nationally known as referring to the area specified in the application;
- (2) Historical or current evidence that the boundaries of the viticultural area are as specified in the application;
- (3) Evidence relating to the geographical features (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;
- (4) The specific boundaries of the viticultural area, based on features which can be found on United States Geological Survey (U.S.G.S.) maps of the largest applicable scale; and
- (5) A copy of the appropriate U.S.G.S. map(s) with the boundaries prominently marked.

Petitioner is submitting with this petition U.S.G.S. maps prominently marked to show the boundary the Russian River Valley viticultural area with the proposed

expansion area. Petitioner is also submitting an evaluation of the proposed expansion of the Russian River Valley viticultural area prepared by Patrick L. Shabram. Mr. Shabram has considerable expertise in the delineation and distinguishing characteristics of viticultural areas. His Curriculum Vitae is attached as Exhibit 3. Mr. Shabram's evaluation will be referred to in this petition as the "Shabram Analysis". The Shabram Analysis is attached as Exhibit 4.

Petitioner is also submitting with this petition a "Petition of Support" for the proposed expansion (see Exhibit 5) and several letters written in support of the petition (see Exhibits 6A through 6E).

The over two hundred (200) signatories on the Petition of Support include wine grape growers, wineries, and wine consumers. The signatories include fourteen (14) owners of agricultural property in the proposed expansion area. These represent most of the vineyard property owners within that area and all of the agricultural property owners whom petitioner was able to contact in person concerning the petition.

The letters in support of the petition are from long-time residents of Sonoma County who are wine grape growers in the expansion area and/or the Russian River Valley viticultural area:

- ◆ Kirk Lokka is the Vice President, GM, Vineyard Operations for Goldridgepinot, which has a vineyard and operates a winery north of Sebastopol. Mr. Lokka has extensive direct knowledge of the Russian River Valley viticultural area and in 1999 he installed the Owsley vineyard located in the last expansion area. Mr. Lokka is also a long-time member of the Russian River Valley Winegrower's Board and has twice served as President of that organization. Mr. Lokka reviewed the supporting documentation for this petition and stated that the proposed expansion area should be included in the Russian River Valley viticultural area because it is like the area that was added in 2005. (See Exhibit 6A.)
- ◆ Clement C. Carinalli is a prominent member of the community who has vineyards in both the current Russian River Valley viticultural area and in the

proposed expansion area. Mr. Carinalli states that he considers the proposed expansion area to be part of the Russian River Valley and that the grape growing conditions in the proposed expansion area are basically the same as those in the current Russian River Valley viticultural area. (See Exhibit 6B.)

- ◆ Ruth and Walter Waltenspiel are owners of Timber Crest Farms and have been growing wine grapes and other fruits in Sonoma County for more than 50 years. The Waltenspiels are familiar with growing conditions throughout the county and have experience with the major wine grape varieties. The Waltenspiels believe that the proposed expansion area belongs in the Russian River Valley viticultural area because it has the same grape growing features. (See Exhibit 6C.)
- ◆ Clement Guggiana is the owner of Crespino Vineyards, a chardonnay and pinot noir vineyard located in the proposed expansion area. His grandfather established a vineyard and operated a winery there in the late 1800's. Mr. Guggiana served 25 years on the Board of Public Utilities, 12 years on the Santa Rosa City Council, and a term as Mayor of Santa Rosa. Mr. Guggiana states that the proposed expansion area is considered to be part of the Russian River Valley and that he is not aware of any significant climate or grape growing differences between the proposed expansion area and the current Russian River Valley viticultural area. (See Exhibit 6D.)
- ◆ Jeff and Judy James operate a vineyard and winery in the proposed expansion area. Mr. James is an active member of the Sonoma County business and agricultural community, having served on two Chambers of Commerce and currently as First Vice President of the California 4th District Agricultural Association Fair Board. Mrs. James is Director of Community Relations for Clover Stornetta Farms and is past Executive Director of the Sonoma County Farm Bureau. Mr. and Mrs. James both state that the climate and other growing conditions in the proposed expansion area are the same as in the current Russian River Valley viticultural area and that the proposed expansion area should have been included with the expansion in 2005. (See Exhibit 6E.)

In the following sections, Petitioner demonstrates that the specific regulatory criteria for including the proposed expansion area in the Russian River Valley viticultural area are met.

I. Evidence that the name of the proposed viticultural area is locally and/or nationally known as referring to the area referred to in the petition.

William F. Heintz, a noted historian who has written extensively about the history of viticulture and winemaking in Sonoma County, reviewed a draft of this petition together with the supporting evidence and concluded in a letter to Petitioner:

I agree with the observation in your petition that the proposed expansion area and the main part of the Russian River Valley viticultural area, which lies to the north, have historically been part of one region in terms of common climate and geographic features, settlement, and the development of agriculture and transportation. For these reasons, I have always considered the proposed expansion area and the area to the north that is in the current Russian River Valley viticultural area to belong together. In my opinion, the proposed expansion area is part of the same historical district as the existing Russian River Valley viticultural area.

(See Exhibit 7.)

As noted below, the proposed expansion area is recognized as part of the Russian River watershed area. Before TTB established technical boundaries for viticultural areas, the proposed expansion area -- lying within the Russian River watershed -- was commonly considered part of the Russian River Valley area.

Figure 2 shows the Russian River watershed in relation to Sonoma County, the current Russian River Valley viticultural area and the proposed expansion area. The Russian River watershed is also shown in an informational brochure published by the Russian River Watershed Association (RRWA). The RRWA is an association of local governments and districts that coordinates regional programs to protect and improve the quality of the Russian River watershed. (See Exhibit 8.) The RRWA

recently asked the California Department of Transportation to place a sign marking the boundary of the Russian River watershed along northbound Highway 101 near the City of Cotati in Sonoma County, California. (See Exhibit 9.) The proposed sign would be located very close to the southern boundary of the proposed expansion area.

Figure 3 shows more closely how the southern part of the Russian River Valley viticultural area and the proposed expansion area overlap with the Russian River watershed. As noted above, the agencies and local governments concerned with the Russian River resources draw no distinction between the existing Russian River Valley viticultural area and the proposed expansion area, identifying all as part of the Russian River watershed area. This is further confirmed by the Assessment Data for California, Russian Watershed in the U.S. Environmental Protection Agency's National Assessment Database. This database includes the proposed expansion area in the listing for the Laguna de Santa Rosa, Russian River HU, Middle Russian River area. (See Exhibit 10.)

The proposed expansion area is also considered to be part of the Russian River Valley area for purposes of tourism. The expansion area is included at the southern end of a Russian River Region Travel Map available on the RussianRiverTravel.com™ web site.¹

This identification of the expansion area with the Russian River Valley is consistent with the history of the region. Winemaking and wine grape growing in the proposed expansion area predate the Prohibition era. This is recounted in the attached letter from Robert Theiller, whose family owned the Xavier Theiller winery in the proposed expansion area until 1938. Although the winery is now defunct, Mr.

¹ A print out of the Russian River Region Travel Map from the RussianRiverTravel.com™ web site that Petitioner has marked with the location of the proposed expansion area is attached as Exhibit 11.

Theiller recalls that the area was known to be part of the Russian River Valley in immediate post-Prohibition times. (See Exhibit 12.) Mr. Theiller's recollection is confirmed by Clement Guggiana, whose grandfather established a vineyard in the proposed expansion area where Mr. Guggiana still grows wine grapes. In his letter of support for this Petition, Mr. Guggiana states his belief that the proposed expansion area is considered to be part of the Russian River Valley area. (See Exhibit 6D.)

Other evidence demonstrates that the expansion area shared the same rich agricultural and economic history as the communities within the existing Russian River Valley AVA.

Prior to the 1850's, Sonoma County was sparsely settled. Most of the population and agricultural development was along the coast. In the early 1850's fruit orchards were first cultivated in the Green Valley area, in the southern portion of the current Russian River Valley viticultural area, and north of Petaluma, not far from the proposed expansion area. However, by 1852, settlement in the interior of Sonoma County had caused the population and agriculture to grow rapidly. By 1855, the first compilation of agricultural statistics could be prepared by the County Assessor. These included extensive young fruit tree plantings.

Agriculture continued to expand in subsequent decades.² In addition to fruit trees, grain became an important part of the agriculture in the Sonoma "alluvial plains", which included the expansion area and the current Russian River Valley viticultural area to the north.³ By 1877, historian Robert Thompson, commenting on

² The early agricultural history of Sonoma County is described in Section 2 of Thompson, *Historical and descriptive sketch of Sonoma County, California*, L.H. Everts & Co. 1877, as transcribed in <http://www.calarchives4u.com/history/sonoma/sect2.htm>. (See Exhibit 13 at pp. 3-9.)

³ The state of agriculture in Sonoma County in 1880 is briefly described in the section entitled "Early History and Settlement of Sonoma County" in Munro-Fraser, *History of Sonoma County*, Alley, Bowen & Co. 1880, as transcribed at <http://www.calarchives4u.com/history/sonoma/1880-70.htm>. (See Exhibit 14.)

the expansion of the railroad lines through the central part of Sonoma County, including the expansion area, said:

*The [rail]road is now extending south of its first terminus, Donahue, which will greatly shorten the time to Petaluma, Santa Rosa, Healdsburg, Litton, and Skaggs' Springs, Cloverdale and the Geysers Springs. When that is done, one may go from San Francisco to the northern limits of Sonoma county in not more than three hours, through the most fertile and beautiful portion of the great state of California.*⁴

Early tourism in the region featured a famous "Triangle Trip", promoted by the Northwestern Pacific Railroad, which would bring city visitors by railroad to visit the burgeoning resorts of the Russian River Valley. The "triangle" ran from the ferry dock in Sausalito to Petaluma, Cotati, and Santa Rosa, then turned west at Fulton to follow the Russian River through Green River and Guerneville to Monte Rio. There, the third leg of the triangle turned south along the coast to Sausalito. In like fashion, the "Redwood Empire Route" of the Northwestern Pacific hauled passengers and freight in both directions through Cotati to Santa Rosa, Guerneville, Cazadero, and other Russian River Valley communities.⁵

Later, stage roads and rail lines laced the region together passing through the proposed expansion area. For example:

"The 'juice line', as the Petaluma & Santa Rosa Electric Railway was known, prospered through the early years of the (20th) century. In addition to its freight line service from orchards and poultry farms, its interurban trolleys plied the countryside from Two Rock to Forestville, bringing passengers -

⁴ See the third paragraph under "Railroads" in the source cited in footnote 1, above, as transcribed in <http://www.calarchives4u.com/history/sonoma/sect3.htm>. (See Exhibit 15 at p. 4.)

⁵ These routes are shown on maps in Stindt, *Trains to the Russian River*, Pacific Coast Chapter of the Railway & Locomotive Historical Society, Inc. 1974, at p. 31, and in Kneiss, *Redwood Railways: A*

ranchers on business, housewives for shopping, students for school classes - directly into the shopping districts of Santa Rosa, Petaluma, and Sebastopol. Stops were less than a mile apart..”

(Santa Rosa: A Twentieth Century Town (p.17)
Gaye LeBaron and Joann Mitchell
Historia, Ltd., LOC Catalog Card Number 93-79227)

This rail line has been abandoned, but part of it is still shown as the “Petaluma and Santa Rosa Old RR Grade” on the USGS Cotati and Two Rock maps. It is highlighted on the maps attached to this petition.

An early 1900's report to the stockholders of the Petaluma & Santa Rosa Electric Railroad company referred to areas within the existing AVA and the proposed expansion area as a single region in describing this railroad route: “[T]he railway traverses an agriculture district in the lower foothills of the Coast Range in Sonoma County and operates in comparatively level country. The country served is rich and fertile, admirably adapted to the raising of fruits, berries, vegetables, poultry and stock, and for the manufacture of dairy products.”⁶

[Continued on next page.]

Story of Redwoods, Picnics and Commuters, Howell-North 1956, at p. 100. (See Exhibit 16.)

⁶ The report to the shareholders is summarized in Borden, Petaluma & Santa Rosa Electric R.R., *The Western Railroader*, Vol. 23, No. 4 (April 1960) at p. 13. (See Exhibit 17.)

There is also historical evidence of the viticultural similarity between the existing Russian River Valley viticultural area and the proposed expansion area. The book titled "History of the Sonoma Viticultural District" by Ernest P. Peninou (Nomis Press, 1998), beginning at page 353, contains an 1893 survey and directory of the five wine districts in Sonoma County.⁷ The current boundary of the Russian River Valley AVA and the proposed expansion area overlap portions of Townships from the Second and Third Districts, which were described in the survey as:

Second District, comprising of Anay and Petaluma Townships

Third District, comprising of Santa Rosa and Russian River Townships

Drawing excerpts from the 1893 survey, petitioner has made five comparisons of an individual grape grower in the proposed expansion area with an individual grape grower in the current Russian River Valley viticultural area. The comparisons below reflect similarities in variety (where available), yield, upland (slope), exposure, and soils. In each of the comparisons, the page number in the book where the excerpt appears is noted⁸ and the grape grower or winery within the current Russian River Valley viticultural area is indicated with an asterisk ("*").

COMPARISON #1

**Bonnardel, P., Sebastopol.* - Total, 20 acres; all in bearing; soil sandy loam; upland; southern exposure; crop 75 tons. The property adjoins the town of Sebastopol on the north, and is a heavy bearing and healthy vineyard. There is a small wine cellar, but no wine on hand. (Zinfandel) (p. 368)

Brown, C., Stony Point. - Total, 30 acres; all in bearing; soil sandy loam; upland; exposure, sloping to the east and south; crop, 90 tons. (Zinfandel) (p. 368)

⁷ The pages from "History of the Sonoma Viticultural District" showing the survey are set forth in Exhibit 18.

⁸ Each excerpt is marked in Exhibit 18.

COMPARISON #2

**Fleming, James M. Trenton.* - Total, 20 acres; all in bearing; soil light loam; upland; eastern exposure; crop, 50 tons. (Zinfandel) (p. 369)

Gilmore, S., Stony Point. - Total, 11 acres; all in bearing; soil white loam; upland; south and east exposure; crop, 22 tons. (p. 369)

COMPARISON #3

**Howe, E. A., Fulton.* - Total 8 acres; all in bearing; soil light clay; valley; southern exposure; crop, 15 tons. (Zinfandel and Riesling) (p. 378)

Hamilton, G. W., Stony Point. - Total, 40 acres; all in bearing; soil clay; upland; southern exposure; crop, 125 tons. (Zinfandel and Muscat) (p. 370)

COMPARISON #4

**Ravello, Jos., Trenton.* - Total, 16 acres; all in bearing; soil sandy loam; upland; easterly exposure; crop, 30 tons; many spoiled by rains. (Zinfandel) (p. 371)

Loftus, P., Stony Point. - Total, 12 acres; all in bearing; soil loam; upland; easterly exposure; crop, 20 tons. (Zinfandel) (p. 370)

COMPARISON #5

**Morse, W. P. & Son, Sebastopol.* - Total, 10 acres; in wine grapes, 9 acres; in table grapes, 1 acre; soil sandy loam; upland; crop, 32 tons. (Zinfandel) (p. 370)

Murphy, P. H., Stony Point. - Total, 15 acres; all in bearing; soil sandy and clay loam; upland; exposure, generally eastern; crop, 45 tons. (Zinfandel) (p. 371)

These comparisons show that, even in 1893, wine grape growing conditions in what is now the Russian River Valley viticultural area and in the proposed expansion area were quite similar.

II. Historical or current evidence that supports setting the boundary of the proposed viticultural area as the petition specifies.

As previously noted, T.D. ATF-159 described the distinguishing features of the Russian River Valley viticultural area as follows:

The Russian River viticultural area includes those areas through which flow the Russian River or some of its tributaries and where there is a significant climate effect from coastal fogs. The specific growing climate is the principal distinctive characteristic of the Russian River Valley viticultural area.

The proposed expansion has the same distinguishing features recognized in T.D. ATF-159. As discussed in Part III, it is now recognized that the defining characteristic of Russian River Valley viticulture -- pervasive summer fog intrusions - - describes conditions in the existing Russian River Viticultural Area and in the proposed expansion area. The fog that moves from the ocean through the proposed expansion area continues on to the remainder of the Russian River Valley viticultural area. Consequently, the fog influencing the expansion area is the same fog that influences the current Russian River Valley viticultural area. There is no "fog line" that separates the proposed expansion area from the current Russian River Valley viticultural area.

Just as the coastal fogs distinguish the Russian River viticultural area and the expansion area, so does the Russian River watershed. As shown on Figures 2 and 3, the inclusion of the proposed expansion area in the Russian River Valley viticultural area completes the viticultural area by bringing within its boundaries the remaining area to the south that is part of the Russian River watershed.

Petitioner submits that it is entirely appropriate to define the Russian River Valley in terms of the Russian River watershed. As discussed in the Shabram Analysis (Exhibit 4) at p. 4, it is difficult to define a "valley" in geographic terms. Mr. Shabram notes:

Interfluves, high points separating watersheds, are much easier to define than are "valleys" themselves, hence watershed can offer measurable means of defining a valley when appropriate.

Mr. Shabram further states:

Watershed can and is used to define geographic areas. In terms of viticulture, however, watershed alone is not sufficient to establish the area as a unique growing area. ... [I]n terms of unique viticultural areas, watershed alone does not constitute a unique geographical area, but similar watershed, climate, topography, and/or soils and underlying geology do.

Part III of this petition demonstrates that the proposed expansion area shares the same growing climate, topography, soils, and geology as the rest of the Russian River Valley viticultural area. Thus, the Russian River watershed furnishes a logical delineation for the southern boundary of the Russian River Valley viticultural area as a "unique geographical area".

III. Evidence relating to the geographic features, such as climate, soils, elevation, and physical features, that distinguish the proposed viticultural area from surrounding areas.

T.D. ATF-159 described the distinguishing features of the Russian River Valley viticultural area as follows:

The Russian River viticultural area includes those areas through which flow the Russian River or some of its tributaries and where there is a significant climate effect from coastal fogs. The specific growing climate is the principal distinctive characteristic of the Russian River Valley viticultural area.

The proposed expansion would add 14,044 acres, increasing the acreage of the Russian River Valley viticultural area by approximately 9% to 169,044 acres. As noted in Part II and as shown in Figures 2 and 3, the proposed expansion area has been delineated so that it lies almost entirely within the Russian River watershed.

Currently, approximately 2,209 out of 155,000 acres (1.43%) in the Russian River Valley viticultural area do not flow into the Russian River Watershed. In the proposed expansion area, only 283 acres of the 14,044 acres would drain into waterways that do not flow into the Russian River. After the proposed expansion, 2,492 of the 169,044 acres in the Russian River Valley viticultural area (1.47%) would drain into waterways that do not flow into the Russian River.

The 13,761 acres of the proposed expansion area that drain into the Russian River all flow through the Laguna de Santa Rosa waterway. The Laguna de Santa Rosa is a continuous waterway that begins near the east side of the proposed expansion area and flows west, then north, through the current Russian River Valley viticultural area. This waterway provides a common connection between the expansion area and the current viticultural area.

As shown below, the proposed expansion area also features a “coastal cool” climate and grape growing conditions that are essentially indistinguishable from the existing Russian River Valley viticultural area. The geography and soils in the proposed expansion area are typical of the predominant geography and soil types in the Russian River Valley viticultural area. Finally, the essential identity in growing conditions is reflected in the similarities in grape maturation in the expansion area versus the current Russian River Valley viticultural area.

Climate:

T.D. TTB-32 entitled “Expansion of the Russian River Valley Viticultural Area (2003R-144T)” (found at 70 F.R. 53297) stated:

Fog is the single most unifying and significant feature of the previously established Russian River Viticultural Area. (70 F.R. 53298)

That Treasury Decision also noted that the Russian River Valley viticultural area climate is classified as “coastal cool” as calculated by the Winkler degree-day system, which classifies grape-growing climatic regions. (70 F.R. 53298) The proposed expansion area meets both of these criteria.

As shown on Figure 1, the proposed expansion area lies south of the existing Russian River Valley viticultural area. Thus, it lies directly in the path of the fog that moves from the ocean into southern and central Sonoma County. This is described in a document entitled “Sonoma County Climatic Zones” found on the University of California Cooperative Extension Sonoma County web site as follows:

“The major climatic influence in Sonoma County is determined by the marine (ocean) air flow and the effect of the geography diverting that air flow. During an average summer there are many days when fog maintains a band of cold air all around the coastline and cool breezes blow a fog bank in

through the Petaluma gap northward toward Santa Rosa and northwestward toward Sebastopol. This fog bank is accompanied by a rapid decrease in temperature which can be as much as 50° F.

(See Exhibit 19.)

In the same vein, respected wine expert and author Rodric Smith wrote the following in regard to the source of the fog that influences Russian River winegrowing:

A new generation of satellite photography, sensitive enough to pick up translucent layers of moist air near the ground, shows for the first time the movement of fog throughout the Russian River Valley region.

* * *

Now, it appears that most of the fog pervading the region may come from the southwest, while relatively little comes up the river itself. I recently saw dramatic evidence of that in a series of images put together by computer mapping consultant Mike Bobbitt. A specialist in GPS (global positioning satellite technology), Bobbitt has pioneered the technique of superimposing various types of aerial and satellite photographs on topographical maps for viticulture clients.

* * *

In Bobbit's snapshot, the fog pours, literally pours, through the Petaluma Gap. The ocean dumps it ashore and the inland heat sink reels it in...¹

¹ Rod Smith, Fog Noir article dated September/October 2005 at http://www.privateclubs.com/Archives/2005-sept-oct/wine_fog-noir.htm. (See Exhibit 20.)

The Sonoma County Climatic Zones document (Exhibit 19) describes three primary climatic zones. The climate of the “coastal cool” zone is defined as follows:

This climatic zone averages 2,582 degree-days per year, but can range from 1,900 to 3,600 depending on the year. It has 800 to 1,100 hours between 70 and 90° F per year.

This is distinguished from the “marine” climate zone, which is defined as follows:

Degree-days per year average 2,185, but range from less than 1,800 to 2,800 depending on the year. This zone also has less than 800 hours between 70 and 90° F during the growing season (April 1 to Oct. 31).

Petitioner’s climate data, described below, demonstrates that the proposed expansion area lies within the “coastal cool” zone. Petitioner notes that a map found on the U.S. Cooperative Extension web site following the discussion of Climatic Zones would place most of the proposed expansion area and part of the area approved by TTB in 2005 within the “marine” zone. Petitioner submits that TTB recognized that this map had been superseded by more current information when it approved the 2005 expansion.² In any event, as Petitioner shows below, the proposed expansion area should not be excluded from the Russian River Valley viticultural area because of a mistaken belief that it lies within the “marine” climate zone.

The Shabram Analysis (Exhibit 4) contains a detailed critique of the notion that the proposed expansion area might be within the “marine” climatic zone for purposes of viticulture. To summarize:

² In T.D. TTB-32, TTB discusses the climate evidence demonstrating that the 2005 expansion area is within the “coastal cool” climate zone. The discussion is quoted on page III-6.

- ◆ Petitioner's Two Rock Ranch is a successful vineyard even though it is located at the southern end of the proposed expansion area and is not "above the fog". A "marine" climate indicates that commercial viticulture is not possible due to insufficient solar radiation. (Shabram Analysis [See Exhibit 4] at Pages 2-3.)
- ◆ The proposed expansion area is located well inland as compared to much of the rest of the "marine" climate zone, so that conditions are quite different from the coastal conditions that characterize a "marine" climate. In this regard, the relatively small number of weather stations compared to the size of and potential microclimate variations within Sonoma County suggest that any climatic zone classification will break down in "transitional" areas, such as the inland zone that includes the proposed expansion area. (Shabram Analysis at 3.)
- ◆ Finally, and most important, climate data specific to the proposed expansion area demonstrates that the expansion area in fact has a "coastal cool" climate typical of the Russian River Valley viticultural area. (Shabram Analysis at 2-3.)

Based on his critique and the information now available, Mr. Shabram concludes: "Hence, the area would best be identified as the Coastal Cool climate type." (Shabram Analysis at 3.) The following discussion summarizes the climate data that supports Mr. Shabram's conclusion.

T.D. TTB-32 described the key climatic data justifying the 2005 expansion of the Russian River Valley viticultural area (70 F.R. 53298):

[Quote begins on next page.]

The expansion petition and Treasury Decision ATF-159 both refer to the Winkler degree-day system, which classifies grape-growing climatic regions. (The degree-day system is described as the total summation of accumulated heat units (degrees of temperature) that are above 50 degrees F during each day of the typical growing season from April to October. See "General Viticulture," Albert J. Winkler, University of California Press, 1975.) As noted in Treasury Decision ATF-159, "The Russian River Valley viticultural area is termed "coastal cool" with a range of 2,000 to 2,800 accumulated heat units."

The petition provides growing season temperature data from 2001 for four vineyards within the proposed expansion area.

Vineyard	Degree days (accumulated heat units)
Le Carrefour	2,636
Osley East	2,567
Osley West	2,084
Bloomfield	2,332

The table above shows that the degree days for all four vineyards fall within the 2,000 to 2,800 accumulated heat units range of Winkler's "coastal cool" climate. The evidence confirms that these vineyards in the proposed expansion area have the same grape-growing climate as found within the originally established Russian River Valley viticultural area.

Using the Winkler system, Petitioner developed a complete Degree-day data set for the April through October growing season during the 3 year period of 1996 to 1998 for three of Petitioner's vineyards: Two Rock Ranch, Laguna Ranch, and MacMurray Ranch. The complete data set is attached as Exhibit 21. The locations of these vineyards relative to the existing Russian River Valley viticultural area and the proposed expansion area are shown on Figure 4. The Two Rock Ranch Vineyard lies in the southern part of the proposed expansion area and the other

vineyards lie within the Russian River Valley viticultural area as first established in 1983. The average degree days in each year during the three-year period were:

Two Rock Ranch Vineyard	2,227 Degree-days
Laguna Ranch Vineyard	2,403 Degree-days
MacMurray Ranch Vineyard	2,601 Degree-days

As noted in T.D. TTB-32: "The Russian River Valley viticultural area is termed 'coastal cool' with a range of 2,000 to 2,800 accumulated heat units." All of the three vineyards listed above fall within the "coastal cool" climate zone.

This data is fully consistent with the 2001 data used by TTB in establishing the 2005 expansion of the Russian River Viticultural Area. The following table lists the three-year average data above and the 2001 data used by TTB in order of degree days:

<u>Vineyard</u>	<u>Degree-days</u>	<u>Location</u>
Osley West ³	2,084	2005 Expansion
Two Rock Ranch	2,227	Proposed Expansion
Bloomfield	2,332	2005 Expansion
Laguna Ranch	2,403	Original Russian River Valley viticultural area
Osley East	2,567	2005 Expansion
MacMurray Ranch	2,601	Original Russian River Valley viticultural area
Le Carrefour	2,636	2005 Expansion

The 2,227 Degree-days for the Two Rock Ranch Vineyard lie well within the range (2,084 to 2,636 Degree-days) for the vineyards cited as support for the 2005

³ Petitioner believes that the "Osley West" and "Osley East" vineyards are also known as the "Owsley West" and "Owsley East" vineyards, respectively.

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expansion. In addition, the Degree-day data for the Two Rock Ranch Vineyard is very close to the data for the Bloomfield Vineyard used to justify the 2005 expansion. The Bloomfield Vineyard lies at the southern end of the 2005 expansion directly adjacent to the proposed expansion area. (See Figure 4.)

The above data taken together shows no consistent differences among vineyards in the original Russian River Valley viticultural area established in 1983, vineyards in the 2005 expansion, and the Two Rock Ranch vineyard in the expansion area proposed by this petition. In short, all of these vineyards reflect the same grape growing climate.

Petitioner also calculated the yearly average number of hours between 70° F and 90° F during the April-October growing season each year from climate data for the years 1996 through 1998 at the Two Rock Ranch Vineyard. The yearly and three year average numbers are shown in Exhibit 22. The Two Rock Ranch Vineyard experienced a yearly average of 940 hours between 70° F and 90° F during the growing seasons of 1996 through 1998. This average lies well within the range of 800 to 1100 hours between 70° F and 90° F that characterize the "Coastal Cool" climate region according to the previously mentioned document entitled "Sonoma County Climatic Zones" found on the University of California Cooperative Extension Sonoma County web site.

The close climatic alignment of the proposed expansion area with the existing Russian River Valley viticultural area is further demonstrated by Figure 5, which is a raster map of Growing Degree Days in Sonoma County. This map is published by the Spatial Climate Analysis Service at Oregon State University based on annual accumulations of Degree-days. This map visually shows that - on an annual basis -

the Degree-days in the expansion area are well within the range that typifies the existing Russian River Valley viticultural area.

Slopes and Elevation:

“[T]he topography of [the] proposed expansion area offers no discernable break between this area and the rest of the Russian River Valley AVA.” (Shabram Analysis at 5.)

The southernmost portion of the proposed expansion area consists of hills of the Wilson Grove formation, also known as the “Merced Hills”. These hills are gently rolling in nature and are dominated by slopes of 5% to 30%. There are a few areas of steeper slopes, but those areas are very isolated and not used for growing vines. This hill formation is very well defined as seen on Figure 6. The existing Russian River Valley viticultural area bisects this hill formation and the proposed expansion seeks to include a greater portion of the hill formation.

The northern portion of the proposed expansion consists of the flatter Santa Rosa Plain. The topography of this portion is essentially flat in nature. It is also consistent with the existing Russian River Valley viticultural area that wraps around both the west and north sides of the proposed expansion. The elevation of the proposed expansion area ranges from a high of 715 feet above sea level to a low of 75 feet above sea level. Both conditions are similar to the adjoining areas that are within the current Russian River Valley viticultural area.

Soils and Geology:

Figure 7, Soil Associations, adapted from the version published by the U.S. Department of Agriculture, shows the soil conditions in the existing Russian River Valley viticultural area and the proposed expansion area.

The soils in the proposed expansion area derived primarily from the underlying Wilson Grove ("Merced Hills") formation. This formation of low-lying rolling hills begins just south of the Russian River itself near Forestville and arches southeast through Sebastopol and ends at Penngrove. The formation formed 3 - 5 million years ago under a shallow sea. The soils that have weathered from this parent formation of sandstone are among the best for growing vineyards. Terry Wright, Professor of Geology, Sonoma State University, wrote:

The sandy loam soils of the apple-growing region of Gold Ridge-Sebastopol form as a direct result of breakdown of Wilson Grove rock. The low ridge running from Forestville to Sebastopol and south to Cotati is the classic terroir of this association, now being recognized as prime land and climate for Pinot Noir and Chardonnay.
Practical Winery & Vineyard, September/October 2001, Vol. XXIII, No. 2.
(See Exhibit 23.)

This formation underlies a large portion of the existing Russian River Valley viticultural area, but the southeastern border of the viticultural area now cuts north-south through the formation mid-way between Sebastopol and Cotati. The soil associations on either side of the southeastern border of the current Russian River Valley viticultural area are identical. The Goldridge-Cotati-Sebastopol soil association is nearly continuous throughout the geologic formation. Petitioner notes that it has Sebastopol sandy loam soil at its Laguna Ranch Vineyard just north of the town of Sebastopol and finds the identical Sebastopol sandy loam soil at its Two Rock Ranch Vineyard in the proposed expansion area just west of the town of Cotati.

The portion of the proposed expansion that is north of the Merced Hills contains soils of the Clear Lake-Reyes association. These are characterized as poorly drained, nearly level to gently sloping clays, and clay loams in basins. This soil association is present in the southeast portion of the Santa Rosa plain and shows up in pockets farther north, almost directly west of the city of Santa Rosa.

Further north in the proposed expansion area the soils change to the Huichica-Wright-Zamora association. These soils are characterized as somewhat poorly drained to well drained, nearly level to strongly sloping loams to silty loams on low bench terraces and alluvial fans. This soil association is very consistent through the middle and northern portions of the Santa Rosa plain and is prominent in the eastern portion of the current Russian River Valley viticultural area (including the city of Santa Rosa) as well as in the proposed expansion area.

In sum, Figure 7 shows that the current defined AVA boundary arbitrarily cuts directly through four (4) major soil associations (Goldridge-Cotati-Sebastopol, Clear Lake-Reyes, Steinbeck-Los Osos and Huichica-Wright-Zamora). The soil and geological conditions in proposed expansion area are identical to the neighboring areas currently within the Russian River Valley viticultural area.

Grape Maturation - Five Year (2003 - 2007) Varietal Brix⁴ History:

According to the Russian River Winegrowers Association, Pinot Noir and Chardonnay are the two most prominent grape varieties grown in the Russian River Valley viticultural area. (See Exhibit 2.) In particular, successful cultivation of the Pinot Noir grape has been considered a hallmark of the Russian River Valley viticultural area. In addition, the Pinot Gris grape variety recently has been growing in popularity.

Bar graphs C-1 through C-3 (see Figure 8) show the 2003 through 2007 five-year average Brix comparisons for the Pinot Noir, Chardonnay, and Pinot Gris varieties between the identified vineyards in the Russian River Valley AVA and the Two Rock Ranch Vineyard in the proposed expansion area of the Russian River Valley AVA. The locations of these vineyards are shown in Figure 4. The Brix levels

⁴ Brix measures sugar content in the grapes and is an indication of grape maturity.

for each variety at each vineyard are very similar, reflecting similar growing conditions for the grapes.

IV. Description of the specific boundary of the proposed Russian River Valley viticultural area based on features found on USGS maps.

(Note: New or changed maps and boundary descriptions are highlighted and deleted descriptions are shown in ~~strikethrough~~ below.)

§ 9.66 Russian River Valley.

- (a) *Name.* The name of the viticultural area described in this section is "Russian River Valley."
- (b) *Approved maps.* The appropriate maps for determining the boundaries of the Russian River Valley viticultural area are 11 United States Geological Survey 1:24,000 Scale topographic maps. They are titled:
- (1) Healdsburg, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1993;
 - (2) Guerneville, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1993;
 - (3) Cazadero, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1978;
 - (4) Duncans Mills California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1979;
 - (5) Camp Meeker, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1995;
 - (6) Valley Ford, California Quadrangle, 7.5 Minute Series, edition of 1954; photorevised 1971;
 - (7) Two Rock, California Quadrangle, 7.5 Minute Series, edition of 1954; photorevised 1971;
 - (8) Sebastopol, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1954; photorevised 1980;
 - (9) Santa Rosa, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1954;
 - (10) Mark West Springs, California Quadrangle, 7.5 Minute Series, edition of 1998;
 - (11) Jintown, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1993; and
 - (12) Cotati, California Quadrangle — Sonoma Co., 7.5 Minute Series, edition of 1954; photorevised 1980.

(c) *Boundaries.* The Russian River Valley viticultural area is located in Sonoma County, California.

- (1) Starting point *Healdsburg map*-Healdsburg Avenue Bridge over the Russian River at Healdsburg. Proceed south along Russian River to the point where Russian River and Dry Creek converge, from this point proceed west in a straight line to Forman Lane.
- (2) Proceed west along Foreman Lane to where it crosses Westside Road and becomes Felta School Road.
- (3) Proceed west on Felta School Road to the point where it crosses Felta Creek.
- (4) Proceed 18000' up Felta Creek to its headwaters as shown on the *Guerneville map* as "Springs."
- (5) Proceed southwest in a straight line 58 degrees W 27000' to an intersection with Hulbert Creek on the *Cazadero map*.
- (6) Proceed south and southeast along Hulbert Creek to the point where it intersects California Hwy 116 on the *Duncan Mills map*.
- (7) Proceed in a westerly direction along California Hwy 116 to Monte Rio where it intersects the Bohemian Hwy.
- (8) Proceed southeast along the Bohemian Highway, crossing over the *Camp Meeker map*, to the town of Freestone, where the highway intersects at BM 214 with an unnamed medium-duty road (known locally as Bodega Road, section 12, T6N, R10W, on the *Valley Ford map*).
- (9) Proceed 0.9 mile northeast on Bodega Road to its intersection, at BM 486, with Jonvive Road to the north and an unnamed light duty road to the south, (known locally as Barnett Valley Road, T6N, R9W, on the *Camp Meeker map*).
- (10) Proceed 2.2 miles south, and then east, on Barnett Valley Road, crossing over the *Valley Ford map*, to its intersection with Burnside Road in section 17, T6N, R9W, on the *Two Rock map*.
- (11) Proceed 3.3 miles southeast on Burnside Road to its intersection with an unnamed medium duty road at BM 375, T6N, R9W, on the *Two Rock map*.
- (12) Proceed 0.6 mile straight southeast to an unnamed 610-foot elevation peak, 1.5 miles southwest of Canfield School, T6N, R9W, on the *Two Rock map*.
- (13) Proceed 0.75 mile straight east-southeast to an unnamed 641-foot elevation peak, 1.4 miles south-southwest of Canfield School, T6N, R9W, on the *Two Rock map*.
- (14) Proceed 0.85 mile straight northeast to the intersection with an unnamed intermittent stream and Canfield Road; continue 0.3 mile straight

in the same northeast line of direction to its intersection with the common boundary of Ranges 8 and 9, just west of an unnamed unimproved dirt road, T6N, on the *Two Rock map*.

~~(15) Proceed 1.8 miles straight north along the common Range 8 and 9 boundary lines to its intersection with Blucher Creek, T6N, on the *Two Rock map*.~~

~~(16) Proceed 1.25 miles generally northeast along Blucher Creek to its intersection with Highway 116, also known as Gravenstein Highway, in section 18, T6N, R8W, on the *Two Rock map*.~~

~~(17) Proceed 0.2 mile straight southeast along Highway 116 to its intersection with an unnamed light duty road to the north in section 18, T6N, R8W, on the *Two Rock map*.~~

~~(18) Proceed 0.1 mile straight northwest along the unnamed light duty road to its intersection with an unnamed medium duty road to the east, (known as Todd Road in section 18, T6N, R8W, on the *Two Rock map*).~~

~~(19) Proceed 4.8 miles east, north, and east again along Todd Road, a medium-duty road, crossing over the *Sebastopol map* and then passing over U.S. Highway 101 and continuing straight east 0.1 mile to Todd Road's intersection with Santa Rosa Avenue, a primary road that is generally parallel to U.S. Highway 101, in section 2, T6N, R8W, on the *Santa Rosa map*.~~

(15) Proceed 0.5 mile southeast, crossing over the end of an unnamed, unimproved dirt road to an unnamed 524-foot elevation peak, T6N R8W, on the *Two Rock map*.

(16) Proceed 0.75 mile straight southeast to the intersection of an unnamed unimproved dirt road (leading to 4 barn-like structures) and an unnamed medium-duty road (known locally as Roblar Road). T6N, R8W on the *Two Rock map*.

(17) Proceed 0.5 mile straight south to an unnamed 678-foot elevation peak just slightly north of the T5N and T6N intersection, R8W on the *Two Rock map*.

(18) Proceed 0.8 mile straight east-southeast to an unnamed 599-foot elevation peak, T5N, R8W on the *Two Rock map*.

(19) Proceed 0.7 mile straight east-southeast to an unnamed 604-foot elevation peak, T5N, R8W on the *Two Rock map*.

(20) Proceed 0.9 mile straight east-southeast to the intersection of an short unnamed light-duty road leading past a group of barn-like structures and a medium duty road known locally as Meacham Road; crossing on to the *Cotati map* T5N, R8W.

(21) Proceed 0.75 mile north-northeast to the intersection of Meacham Road and Stony Point roads, T5N, R8W on the *Cotati map*.

- (22) Proceed 1.1 miles southeast along Stony Point Road to the point where the 200-foot elevation contour line intersects Stony Point Road, T5N, R8W on the *Cotati map*.
- (23) Proceed 0.5 mile north-northeast to the point where an unnamed intermittent stream intersects US Hwy 101. (The land grant line also crosses at the same location), T5N, R8W on the *Cotati map*.
- (24) Proceed 4.25 miles north along US Hwy 101 to the intersection of the US 101 and Santa Rosa Avenue (That location is locally known as the Wilfred Avenue over crossing) T6N, R8W on the *Cotati map*.
- (25) Proceed 1.1 miles north along Santa Rosa Avenue to its intersection with Todd Road, crossing on to the *Santa Rosa map*, T6N, R8W on the *Santa Rosa map*.
- (26) Proceed 5.8 miles generally north along Santa Rosa Avenue, which becomes Mendocino Avenue, to its intersection with an unnamed secondary road, known locally as Bicentennial Way, 0.3 mile north-northwest of BM 161 on Mendocino Avenue, section 11, T7N, R8W, on the *Santa Rosa map*.
- (27) Proceed 2.5 miles straight north, crossing over the 906-foot elevation peak in section 35 of the *Santa Rosa map*, to its intersection with Mark West Springs Road and the meandering 280-foot elevation in section 26, T8N, R8W, of the *Mark West Springs map*.
- (28) Proceed 4.8 miles north-northwest along Mark West Springs Road, which becomes Porter Creek Road, to its intersection with Franz Valley Road, a light-duty road to the north of Porter Creek Road, in section 12, T8N, R8W, on the *Mark West Springs map*.
- (29) Proceed in a northerly direction along Franz Valley Road to the northerly most crossing of Franz Creek.
- (30) Proceed west along Franz Creek until it intersects the line separating Section 21 and Section 22.
- (31) Proceed south on this line separating Section 21 and 22 to the corner common to Section 21 and 22 and Section 27 and 28.
- (32) Proceed west from the common corner of Section 21 and 22 and 27 and 28 and in a straight line to the peak of Chalk Hill on the *Healdsburg map*.
- (33) Proceed west from the peak of Chalk Hill in a straight line to the point where Brooks Creek joins the Russian River.
- (34) Proceed north west in a straight line 8000' to a peak marked 772' elv. on the *Jimtown map*.
- (35) Proceed north west in a straight line from hill top 772' elv. to hill top 596' elv.

(36) Proceed north west in a straight line from hill top 596' elv. to hill top 516' elv.

(37) Proceed north west in a straight line from hill top 516' elv. to hill top 530' elv.

(38) Proceed west in a straight line from hill top 530' elv. to hill top 447' elv.

(39) Proceed west in a straight line from hill top 447' elv. to the point where Alexander Valley Road meets Healdsburg Avenue.

(40) Proceed south along Healdsburg Avenue through the city of Healdsburg on the *Healdsburg map* to the point where it crosses the Russian River at the point of beginning.

Conclusion:

This petition requests only the addition of the expansion area shown in Figure 1 in order to correct the southeastern boundary of the existing Russian River Valley viticultural area. This petition does not request a new viticultural area within an existing viticultural area. It does not create any conflict with existing brand rights.

Petitioner has demonstrated that the proposed expansion area belongs in the Russian River Valley viticultural area. The expansion area lies almost exclusively within the Russian River watershed and historically has been associated with the rest of the watershed area. The proposed expansion area would complete the Russian River Valley viticultural area at the southeastern end by conforming the viticultural area boundary to the watershed boundary. The proposed expansion area exhibits the same fog-influenced climate and the same soil, geographic, and grape-growing conditions as the existing Russian River Valley viticultural area.

Consequently, Petitioner respectfully requests that TTB issue a Notice of Proposed Rulemaking to amend 27 CFR 9.66 to reflect the boundary description set forth in Part IV of this Petition.

GALLO FAMILY VINEYARDS

Gary L. Horton
Attorney-in-Fact



Gary L. Horton, Senior Manager

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VIA PRIORITY OVERNIGHT FEDERAL EXPRESS

November 15, 2007

Ms. [REDACTED] b6
Program Manager
Department of the Treasury
Alcohol and Tobacco Tax and Trade Bureau
925 Lakeville St., #158
Petaluma, CA 94952

Dear [REDACTED] b6

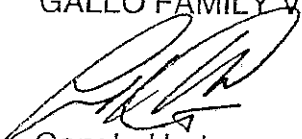
In accordance with the provisions of 27 CFR 70.701(c), petition is hereby made to amend the southeast boundary of the Russian River Valley. The current boundary of the Russian River Valley is shown at 27 CFR 9.66.

All information referred to in 27 CFR 9.3(b) is included with this petition.

If you have any questions or require any additional information, please contact me at Gary.Horton@ejgallo.com or 209-341-3393.

Very truly yours,

GALLO FAMILY VINEYARDS



Gary L. Horton
Attorney-in-Fact



DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

925 Lakeville Street, #158
Petaluma, CA 94952

November 27, 2007

2008R-031P

4040000:NS
5120

Mr. Gary L. Horton
Gallo Family Vineyards
P.O. Box 1130
Modesto, CA 95353-1130

Dear Mr. Horton:

We received and reviewed your petition to expand the Russian River Valley AVA. Thank you for the duplicate petition information and maps. We need the following documentation before we can accept the petition for rulemaking activity:

- (1) Figure 4 map - include the locations of all commercial vineyards in the proposed expansion area; and on
- (2) Page I-1 - provide name usage evidence to substantiate the petition statement, "Before TTB established technical boundaries for viticultural areas, the proposed expansion area - lying within the Russian River watershed - was commonly considered part of the Russian River Valley area."

Send the requested information to [REDACTED]

[REDACTED] who is responsible for processing this AVA expansion petition, may be contacted by e-mail at [REDACTED]@ttb.gov or at [REDACTED]

Also, please review the enclosed TTB responsibilities in the AVA petition rulemaking process that explains the rulemaking steps.

Sincerely,

Francis W. Foote
for

Francis W. Foote
Chief, Regulations and Procedures Division

Enclosure

TTB responsibilities in the AVA petition rulemaking process

- ☛ Review the petition for completeness, accuracy, relevance and appropriateness with regulatory requirements (27 CFR 9.3). TTB will return all non-perfected petitions that fail to fully meet these criteria.
- ☛ Prepare a Notice of Proposed Rulemaking (NPRM). This is a narrative document that describes the proposed AVA, or its proposed change, using substantive information derived from a submitted, perfected petition. The NPRM draft then proceeds through a chain of TTB reviewers.
- ☛ Publish the NPRM in the Federal Register, requesting public comments within 60 days of the publication date.
- ☛ Analyze public comments and any additional information received in response to the notice. TTB will then decide to either
 - (1) continue the AVA rulemaking process toward completion, or
 - (2) discontinue the AVA rulemaking process and return the petition to the petitioner, based on comments and/or additional information received. TTB will notify the petitioner and publish a Federal Register notice to explain the situation. Discontinuances happen only occasionally.
- ☛ Prepare the Final Rule for establishment or change to the AVA. The Rule includes all substantive information in the NPRM, a description of comments received in response to the NPRM, and a TTB justification for establishment or change to the AVA.
- ☛ Publish the Final Rule in the Federal Register. This Rule makes the AVA establishment, or its change, usually effective 30 days from the publication date.

③