



DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB-2023-0008; T.D. TTB-205; Re: Notice No. 226]

RIN 1513-AD00

Establishment of the Nine Lakes of East Tennessee Viticultural Area

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) establishes the approximately 4,064-square mile “Nine Lakes of East Tennessee” American viticultural area (AVA) in northeastern Tennessee. The Nine Lakes of East Tennessee AVA is not located within, nor does it contain, any other established viticultural area. TTB designates viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

DATES: This final rule is effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Karen A. Thornton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005; phone 202-453-1039, ext. 175.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), authorizes the Secretary of the Treasury to prescribe regulations for the labeling of wine, distilled spirits, and malt beverages. The FAA Act provides that these regulations should, among other things, prohibit consumer deception and the use of misleading statements on labels and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the FAA Act pursuant to section 1111(d) of the Homeland Security Act of 2002, codified at 6 U.S.C. 531(d). In addition, the Secretary of the Treasury has delegated certain administrative and enforcement authorities to TTB through Treasury Order 120–01.

Part 4 of the TTB regulations (27 CFR part 4) authorizes TTB to establish definitive viticultural areas and regulate the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) sets forth standards for the preparation and submission to TTB of petitions for the establishment or modification of American viticultural areas (AVAs) and lists the approved AVAs.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region having distinguishing features as described in part 9 of the regulations and a name and a delineated boundary, as established in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to the wine's geographic origin. The establishment of AVAs allows vintners to describe more accurately the origin of their wines to consumers and helps

consumers to identify wines they may purchase. Establishment of an AVA is neither an approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations (27 CFR 4.25(e)(2)) outlines the procedure for proposing an AVA and allows any interested party to petition TTB to establish a grape-growing region as an AVA. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes standards for petitions for the establishment or modification of AVAs. Petitions to establish an AVA must include the following:

- Evidence that the area within the proposed AVA boundary is nationally or locally known by the AVA name specified in the petition;
- An explanation of the basis for defining the boundary of the proposed AVA;
- A narrative description of the features of the proposed AVA affecting viticulture, such as climate, geology, soils, physical features, and elevation, that make the proposed AVA distinctive and distinguish it from adjacent areas outside the proposed AVA boundary;
- The appropriate United States Geological Survey (USGS) map(s) showing the location of the proposed AVA, with the boundary of the proposed AVA clearly drawn thereon; and
- A detailed narrative description of the proposed AVA boundary based on USGS map markings.

Nine Lakes of East Tennessee AVA Petition

TTB received a petition from the Appalachian Region Wine Producers Association, proposing the establishment of the “Nine Lakes of East Tennessee”

AVA. The proposed AVA is in Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Monroe, Roane, Sevier, and Union Counties in Tennessee. The proposed AVA contains approximately 4,064-square miles (2,601,390 acres) with approximately 232 acres of planted vineyards spread across the proposed AVA. There are also 29 wineries within the proposed AVA. According to the petition, the distinguishing features of the proposed Nine Lakes of East Tennessee AVA are its geology, soils, topography, and climate.

According to the petition, the proposed Nine Lakes of East Tennessee AVA is located in the Valley and Ridge Province of eastern Tennessee and contains all or portions of the 14 counties that surround the nine lakes formed by the Tennessee Valley Authority dams along the Tennessee River. The geology of the proposed AVA consists almost entirely of sedimentary rocks initially deposited during the Paleozoic Era, when an ocean covered most of eastern North America. The folding and fracturing of the sediments and rocks formed ridges and valleys with southwest-to-northeast orientations. The petition states that the orientation of these ridges and valleys allows vineyard owners to select locations with slope aspects that allow for first light to dry the heavy dew from the vines and thus help in disease prevention. The slope aspects also shade vines from the evening sun and thus prevent excessive heat on the grape clusters. Elevations within the proposed AVA range from 1,100 to 1,500 feet in the ridges and 700 to 1,000 feet in the valleys.

The petition states that the geology of the regions to the north and south of the proposed AVA is similar to that of the proposed AVA, given that all three locations are part of the Valley and Ridge Province. However, elevations north of the proposed AVA are higher, while elevations to the south are lower. To the

east is the Appalachian Mountain System which is comprised of Lower Paleozoic limestone, dolomite, and shale with exposures of Precambrian igneous and metamorphic basement rocks such as tuff, rhyolite, granite, schist, and quartzite, as well as Precambrian sedimentary and metamorphic sandstone, conglomerate, arkose, and siltstone. Elevations in this region range from 1,000 to 6,643 feet. To the west of the proposed AVA are the Cumberland Plateau and Cumberland Escarpment, which consist of uplifted caprock of Pennsylvanian age sandstone and conglomerate. Average elevations west of the proposed AVA range from 1,500 to 1,800 feet.

The soils of the proposed Nine Lakes of East Tennessee AVA are classified as Ultisols, which the petition describes as soils that are “strongly leached, acid forest soils with low native fertility” and a clay-enriched subsoil. Soil depth ranges from shallow to very deep. The soils have a udic soil moisture regime and an average temperature of 59 to 72 degrees Fahrenheit (F) at a depth of 20 inches. The petition states that timely application of fertilizer and lime in vineyards are important to maximize grape yield in these soils.

To the north and south of the proposed AVA, the soils are similar, because all three regions are in the Valley and Ridge Province. To the east of the proposed AVA, soils are commonly well-drained and acidic and can be shallow to very deep. The primary soil orders are Inceptisols and, to a significantly lesser extent, Ultisols. The soils have an udic soil moisture regime, and the average annual soil temperature regimes are mesic (between 47 and 59 degrees F) and frigid (lower than 46.4 degrees F). West of the proposed AVA, the main soil orders are Inceptisols and Ultisols with a thermic or mesic soil temperature regime and an udic soil moisture regime.

According to the petition, the climate of the proposed Nine Lakes of East Tennessee AVA is warmer than that of each of the surrounding regions except the region to the south. The mean growing season length¹ within the proposed AVA is 212.8 days. The average growing season growing degree day (GDD) accumulation is 3,837, placing the proposed AVA in Winkler Region IV.² The average maximum temperature is 69 degrees F, while the average minimum temperature is 45 degrees F, placing the proposed AVA in USDA Plant Hardiness Zone 7a. Average annual precipitation amounts total 51.09 inches. According to the petition, the climate of the proposed AVA is suitable for growing a wide variety of grapes, including vinifera, hybrid, native, and muscadine varieties.

To the northeast of the proposed AVA, the mean growing season is shorter, and the region is classified as a Winkler Region III with fewer GDDs than the proposed AVA. The region is also in USDA Plant Hardiness Zone 6b, with lower average maximum and minimum temperatures and lower annual precipitation amounts than the proposed AVA. To the east, the climate is also cooler than within the proposed AVA, with a shorter growing season length, fewer GDDs, a Winkler Region II classification, lower average maximum and minimum temperatures, and a USDA Plant Hardiness Zone classification of 6b. However, average annual rainfall amounts east of the proposed AVA are higher. To the south, the mean growing season length is longer, the average minimum

¹ Defined as the period between last spring frost and first fall frost.

² See Albert J. Winkler, *General Viticulture* (Berkeley: University of California Press, 1974), pages 61-64. In the Winkler climate classification system, annual heat accumulation during the growing season, measured in Growing Degree Days (GDDs), defines climatic regions. One GDD accumulates for each degree Fahrenheit that a day's mean temperature is above 50 degrees F, the minimum temperature required for grapevine growth. The Winkler scale regions are as follows: Region 1a, 1,500—2,000 GDDs; Region 1b, 2,000-2,500 GDDs, Region II, 2,500-3,000 GDDs; Region III, 3,000-3,500 GDDs; Region IV, 3,500-4,000 GDDs; Region V, 4,000-4,900 GDDs.

and maximum temperatures are higher, GDD accumulations are higher and place the region in Winkler Region V, and average annual precipitation amounts are higher. West of the proposed AVA, the average growing season length is almost identical. Although the region to the west is also a Winkler Region IV, it accumulates slightly fewer GDDs annually than the proposed AVA. Average annual maximum and minimum temperatures are slightly cooler, placing it in USDA Plant Hardiness Zone 6b. Annual precipitation amounts west of the proposed AVA are higher.

Notice of Proposed Rulemaking and Comments Received

TTB published Notice No. 226 in the **Federal Register** on September 20, 2023 (88 FR 64846), proposing to establish the Nine Lakes of East Tennessee AVA. In the notice, TTB summarized the evidence from the petition regarding the name, boundary, and distinguishing features for the proposed AVA. The notice also compared the distinguishing features of the proposed AVA to the surrounding areas. For a detailed description of the evidence relating to the name, boundary, and distinguishing features of the proposed AVA, and for a detailed comparison of the distinguishing features of the proposed AVA to the surrounding areas, see Notice No. 226. In Notice No. 226, TTB solicited comments on the sufficiency and accuracy of the name, boundary, and other required information submitted in support of the petition. The comment period closed on November 20, 2023.

Comments Received

In response to Notice No. 226, TTB received nine comments. One comment received through regulations.gov was a request for contact about a registration unrelated to the proposed AVA, the AVA program, or TTB rulemaking. That comment is not posted to the docket. The eight remaining

comments were from the Tennessee Wine and Grape Board, the Appalachian Region Wine Producers Association (the submitter of the petition to establish the AVA), the Union County Chamber of Commerce, the Tennessee Farm Winegrowers Alliance, and members of the public. Seven of the comments (comments 2 through 8) express full support for the proposed AVA as a way to increase tourism, new businesses, and public awareness of wines produced from grapes grown in the region.

One comment (comment 1) provided additional input on the proposed AVA's name, location, and "distinguishing features that set it apart from the surrounding regions." It acknowledges the distinctiveness of the proposed AVA and describes awards that several local wine producers have won. However, the comment also notes "some disadvantages that may affect its recognition and value." The commenter states that its size may make it difficult "to maintain a consistent identity and quality among the wines produced in the region," which might "dilute the significance and recognition of the appellation" among consumers and trade. The comment also stated that the relatively low number of vineyards and wineries (specifically 19 vineyards with a total of 232 acres of planted vines and 10 wineries) within the proposed AVA may "limit the availability and diversity" of wines from the area and could indicate a "lack of interest and investment in grape growing and wine making in the region." Finally, the comment states that establishing the proposed Nine Lakes of East Tennessee AVA may overlap with the "Rocky Top AVA" and the "Great Valley of East Tennessee AVA," and create confusion in labeling and marketing of wines from these areas, or "undermine the distinctiveness and value" of the "Rocky Top AVA and the Great Valley of East Tennessee AVA."

TTB Response

As noted above, TTB establishes AVAs to allow winemakers to better describe, in labeling and advertising, the origins of their wines and to allow consumers to better identify wines they may purchase. TTB reviews any petition for the establishment of an AVA based on the criteria set forth in its regulations and on comments received on those criteria from interested parties during the public comment period. The extent to which wines from an established AVA ultimately achieve recognition depends on a number of factors beyond the establishment of the AVA and is not considered in determining whether to establish a proposed AVA. With respect to the concern that the large size of the proposed AVA may make it difficult for winemakers to maintain a consistent identity and/or quality among the wines produced within the region, TTB believes that the petition adequately demonstrated the similar grape-growing conditions throughout the proposed AVA, and no comments were received that disputed that information or raised questions about the distinguishing features. However, TTB recognizes that differences in quality and character of wines can occur in wines from AVAs of any size as a result of the skills and preferences of the winemakers rather than to differences in soils, climate, or topography within the AVA.

Regarding the number of wineries, vineyards, and acres of vines within the proposed AVA, TTB does not take a position with regard to whether the total vineyard acreage or number of wineries within a proposed AVA suggests a level of current or future interest or investment in grape growing or wine making. Any future growth that may occur in the region would be due to the efforts of vineyard owners and winemakers in the region and customer acceptance of the wines.

Finally, with regard to a concern that the proposed AVA overlaps “the Rocky Top AVA and the Great Valley of East Tennessee AVA,” TTB notes that

there are no AVAs located within the proposed Nine Lakes of East Tennessee AVA. While “Rocky Top” and the “Great Valley of East Tennessee” may be locally known names of winemaking regions, they are not approved AVAs under TTB regulations.

TTB Determination

After careful review of the petition and the comments received in response to Notice 226, TTB finds that the evidence provided by the petitioner supports establishing the Nine Lakes of East Tennessee AVA as proposed. Accordingly, under the authority of the FAA Act, section 1111(d) of the Homeland Security Act of 2002, and parts 4 and 9 of the TTB regulations, TTB establishes the “Nine Lakes of East Tennessee” AVA in northeastern Tennessee, effective 30 days from the publication date of this document.

Boundary Description

See the narrative description of the boundary of the Nine Lakes of East Tennessee AVA in the regulatory text published at the end of this final rule.

Maps

The petitioner provided the required maps, and they are listed below in the regulatory text. The Nine Lakes of East Tennessee AVA boundary may also be viewed on the AVA Map Explorer on the TTB website, at <https://www.ttb.gov/wine/ava-map-explorer>.

Impact on Current Wine Labels

Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine’s true place of origin. For a wine to be labeled with an AVA name or with a brand name that includes an AVA name, at least 85 percent of the wine must be derived from grapes grown within the area represented by that name, and the wine must meet the other conditions

listed in 27 CFR 4.25(e)(3). If the wine is not eligible for labeling with an AVA name and that name appears in the brand name, then the label is not in compliance and the bottler must change the brand name and obtain approval of a new label. Similarly, if the AVA name appears in another reference on the label in a misleading manner, the bottler would have to obtain approval of a new label. Different rules apply if a wine has a brand name containing an AVA name that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

With the establishment of the Nine Lakes of East Tennessee AVA, its name, “Nine Lakes of East Tennessee,” will be recognized as a name of viticultural significance under § 4.39(i)(3) of the TTB regulations (27 CFR 4.39(i)(3)). The text of the regulations clarifies this point. Consequently, wine bottlers using the name “Nine Lakes of East Tennessee” in a brand name, including a trademark, or in another label reference to the origin of the wine, will have to ensure that the product is eligible to use the AVA name as an appellation of origin.

Establishing the Nine Lakes of East Tennessee AVA will not affect any existing AVA. Establishing the Nine Lakes of East Tennessee AVA will allow vintners to use “Nine Lakes of East Tennessee” as an appellation of origin for wines made primarily from grapes grown within the Nine Lakes of East Tennessee AVA if the wines meet the eligibility requirements for the appellation.

Regulatory Flexibility Act

TTB certifies that this regulation will not have a significant economic impact on a substantial number of small entities. The regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of an AVA name would be the result of a proprietor’s efforts

and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

It has been determined that this final rule is not a significant regulatory action as defined by Executive Order 12866, as amended. Therefore, no regulatory assessment is required.

Drafting Information

Karen A. Thornton of the Regulations and Rulings Division drafted this final rule.

List of Subjects in 27 CFR Part 9

Wine.

The Regulatory Amendment

For the reasons discussed in the preamble, TTB amends title 27, chapter I, part 9, Code of Federal Regulations, as follows:

PART 9—AMERICAN VITICULTURAL AREAS

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

Authority: 27 U.S.C. 205.

Subpart C—Approved American Viticultural Areas

2. Add § 9.300 to subpart C to read as follows:

§ 9.300 Nine Lakes of East Tennessee AVA.

(a) *Name.* The name of the viticultural area described in this section is “Nine Lakes of East Tennessee”. For purposes of part 4 of this chapter, “Nine Lakes of East Tennessee” is a term of viticultural significance.

(b) *Approved maps.* The 6 United States Geological Survey (USGS) 1:100,000 scale topographic maps used to determine the boundary of the Nine Lakes of East Tennessee viticultural area are:

- (1) Middlesboro, KY–Tenn.–VA, 1977;
- (2) Morristown, Tennessee, 1981;
- (3) Knoxville, Tenn.–N.C., 1983;
- (4) Oak Ridge, Tennessee, 1979;
- (5) Watts Bar Lake, Tennessee, 1981; and
- (6) Cleveland, Tennessee–N.C., 1981.

(c) *Boundary.* The Nine Lakes of East Tennessee viticultural area is located in Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Monroe, Roane, Sevier, and Union Counties, Tennessee. The boundary of the viticultural area is described as follows:

(1) The beginning point is on the Middlesboro map at the intersection of the shared Hancock–Claiborne County line and the shared Virginia–Tennessee State line. From the beginning point, proceed west along the Virginia–Tennessee State line for 10.13 miles to the boundary of the Cumberland Gap National Historical Park; then

(2) Proceed southwest, then northwest along the park boundary for approximately 4.78 miles to its intersection with the 500-meter elevation contour on Powell Mountain; then

(3) Proceed southwest, then northeast, then southwest along the meandering 500-meter elevation contour for approximately 11.18 miles, crossing onto the Morristown map, and continuing along the 500-meter elevation contour for approximately 10.38 miles, crossing onto the Oak Ridge map, and continuing along the 500-meter elevation contour for 8.7 miles to the point where it turns sharply northeast just east of Highway 25W and north of Lafollette; then

(4) Proceed west in a straight line for approximately 0.49 mile, crossing over Highway 25W, to the 500-meter elevation contour; then

(5) Proceed southwest, then northeast along the 500-meter elevation contour for approximately 7.46 miles to its intersection with and unnamed tributary of Bruce Creek; then

(6) Proceed west in a straight line to Interstate 75; then

(7) Proceed south in a straight line for approximately 6.34 miles to the intersection of the Campbell and Anderson County lines; then

(8) Proceed south along the shared Campbell–Anderson County line for approximately 6.28 miles, crossing over Stony Fork, to the intersection with an unnamed trail running southwest-to-northeast along Windrock Mountain; then

(9) Proceed southwest in a straight line for 9.26 miles to the intersection with the shared Anderson–Morgan County line; then

(10) Proceed southeast along the Anderson–Morgan County line for approximately 5.59 miles to its intersection with the Roane County line; then

(11) Proceed southwest along the shared Roane–Morgan County line for approximately 5.65 miles, crossing onto the Watts Bar Lake map, and continuing along the Roane–Morgan County line to its intersection with the Cumberland County line; then

(12) Proceed southwest in a straight line for approximately 8.82 miles to the intersection of the Roane and Rhea County lines and State Road 29; then

(13) Proceed southerly along the shared Roane–Rhea County line for approximately 5.47 miles to its intersection with the Meigs County line; then

(14) Proceed south-southeast along the Roane–Meigs County line to its intersection with the McMinn County line; then

(15) Proceed east along the shared Roane–McMinn County line for 1.8 miles to the intersection with the Loudon County line; then

(16) Proceed south, then easterly along the shared Loudon–McMinn County line to its intersection with the Monroe County line; then

(17) Proceed south, then southeast along the shared McMinn–Monroe County line for approximately 10.56 miles, crossing onto the Cleveland, Tennessee–North Carolina map, and continuing along the shared McMinn–Monroe County line for approximately 13.67 miles to the intersection with an unnamed highway known locally as State Road 39/Mecca Highway; then

(18) Proceed southeast along State Road 39 for approximately 3.04 miles to its intersection with the Cherokee National Forest boundary, which is concurrent with Conasauga Creek; then

(19) Proceed southeasterly, then northerly along the Cherokee National Forest boundary for approximately 23.67 miles, crossing onto the Watts Bar Lake map, and continue northeasterly, then easterly along the forest boundary for approximately 15.35 miles as it meanders east through Tellico Lake and becomes concurrent with the Blount-Monroe County line and crosses onto the Knoxville, Tennessee-North Carolina map, to the forest boundary's intersection with Abrams Creek; then

(20) Proceed north in a straight line for approximately 1,500 feet to the Great Smoky Mountains National Park boundary; then

(21) Proceed northeast, then southeast, then northeast along the park boundary line for a total of approximately 51.47 miles to its intersection with the shared Cocke–Sevier County line near Rocky Grove; then

(22) Proceed northeast in a straight line for 6.15 miles to the intersection of the Cherokee National Forest boundary with Highway 321/State Road 32 and Rabbit Branch near Allen Grove; then

- (23) Proceed east along the forest boundary for 1.99 miles to its intersection with Interstate 40; then
- (24) Proceed north along Interstate 40 for 2.98 miles to its intersection with Highway 321; then
- (25) Proceed northeast along the forest boundary for 3.12 miles to its intersection with State Road 73 at Edwina; then
- (26) Proceed northeast in a straight line for 9.2 miles, crossing onto the Morristown map, and continuing northeast in a straight line for 4.16 miles to the shared Greene–Cocke County line; then
- (27) Proceed northwest along the Greene–Cocke County line to its intersection with the Hamblen County line; then
- (28) Proceed northeast along the Hamblen–Greene County line to its intersection with the Hawkins County line; then
- (29) Proceed northwest, then southwest along the Hawkins–Hamblen County line to its intersection with the Grainger County line; then
- (30) Proceed northwesterly along the Hawkins–Grainger County line to its intersection with the Hancock County line; then
- (31) Proceed west along the Grainger–Hancock County line to its intersection with the Claiborne County line; then
- (32) Proceed north along the Hancock–Claiborne County line for approximately 8.14 miles, crossing onto the Middlesboro map, and continuing northwest along the Hancock–Claiborne County line for approximately 8.51 miles to return to the beginning point.

Signed: March 16, 2026.

Mary G. Ryan,

Administrator.

Approved: March 16, 2026.

Kenneth J. Kies,

Assistant Secretary (Tax Policy).

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