

leased buildings, non-market lease terms, and tract developments with unsold units;

(d) Be based upon the definition of market value as set forth in § 722.2(f); and

(e) Be performed by State licensed or certified appraisers in accordance with requirements set forth in this subpart.

4. Section 722.5 is amended by revising paragraph (b) to read as follows:

**§ 722.5 Appraiser independence.**

\* \* \* \* \*

(b) *Fee Appraisers.* (1) If an appraisal is prepared by a fee appraiser, the appraiser shall be engaged directly by the credit union or its agent and have no direct or indirect interest, financial or otherwise, in the property or the transaction.

(2) A credit union also may accept an appraisal that was prepared by an appraiser engaged directly by another financial services institution; if:

(i) the appraiser has no direct or indirect interest, financial or otherwise, in the property or transaction; and

(ii) the credit union determines that the appraisal conforms to the requirement of this regulation and is otherwise acceptable.

Appendix A—[Removed]

5. Appendix A to Part 722 is removed.

[FR Doc. 95-24690 Filed 10-3-95; 8:45 am]

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**FEDERAL TRADE COMMISSION**

**16 CFR Part 436**

**Trade Regulation Rule: Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures**

**AGENCY:** Federal Trade Commission.

**ACTION:** Revocation of authorization to use disclosures prepared in compliance with the 1986 Uniform Franchise Offering Circular Guidelines in lieu of disclosures required by the Commission's Franchise Rule.

**SUMMARY:** On January 1, 1996, the Commission will revoke acceptance of disclosures prepared in accordance with the 1986 Uniform Franchise Offering Circular Guidelines ("UFOC"), adopted by the North American Securities Administrators Association ("NASAA") on November 21, 1986, for compliance with the pre-sale disclosure requirements of the Commission's Franchise Rule (16 CFR 436.1(a)-(e)).

**DATES:** Authorization to prepare disclosures that comply with the 1986

UFOC Guidelines is revoked on January 1, 1996. UFOC disclosures required to be prepared, amended, revised, or filed on and after the revocation date by the Rule or state law must satisfy the requirements of the UFOC Guidelines as amended by NASAA on April 25, 1993, and approved by the FTC on December 30, 1993, (58 FR 69,224) for use in compliance with the Franchise Rule.

**ADDRESSES:** Questions about Franchise Rule compliance obligations arising from this notice should be addressed to Franchise Rule Staff, Division of Marketing Practices, Federal Trade Commission, Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:** Steven Toporoff, Division of Marketing Practices, Room 238, Federal Trade Commission, Washington, D.C. 20580 (202) 326-3135.

**SUPPLEMENTARY INFORMATION:** The Commission's trade regulation rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" ("Franchise Rule" or "Rule") (16 CFR Part 436) requires franchisors to provide pre-sale disclosures of material information to prospective franchisees. The form and content of the required disclosures is prescribed by §§ 436.1(a)-(e) of the Rule.

When the Rule was issued, the Commission authorized the use of an alternative disclosure format, known as the Uniform Franchise Offering Circular ("UFOC"), in lieu of the disclosures required by §§ 436.1(a)-(e) of the Rule (43 FR 59,614, 59,722). The UFOC had been prepared by state franchise law administrators to enable franchisors to use a single document to comply with the differing pre-sale disclosure requirements of the franchise registration and disclosure laws in their jurisdictions.

The Commission's initial approval of the UFOC extended only to disclosures that complied with the UFOC Guidelines as adopted by the Midwest Securities Commissioners Association ("MSCA") on September 2, 1975 (43 FR 69,614, 59,722). The Commission subsequently granted a petition from the MSCA's successor, the North American Securities Administrators Association ("NASAA"), for approval of amendments to the UFOC Guidelines that NASAA had adopted on November 21, 1986 (52 FR 22,686).

In a request filed July 2, 1993, NASAA asked the Commission to approve new amendments to the UFOC Guidelines, adopted on April 25, 1993 (Extra Edition, Bus. Fran. Guide (CCH), Rpt. No. 161 (May 25, 1993)). The Commission approved the amendments

to the UFOC on December 30, 1993 (58 FR 69,224). The new amendments include significant changes and additions to the present Guidelines, most notably the requirement that UFOC disclosure documents use "plain English." After analyzing the differences between the amended UFOC and the Commission's Rule, the Commission found that, viewed as a whole, the amendments to the UFOC provide prospective franchisees with protection equal to or greater than that provided by the Franchise Rule.

In approving the amendments to the UFOC, the Commission authorized the use, as of January 1, 1994, of disclosures prepared in accordance with the amended UFOC Guidelines. At the same time, the Commission stated that it would revoke its prior authorization for preparation of disclosures in accordance with the 1986 UFOC Guidelines "effective six months to the day after the date on which the last state requiring pre-sale registration of a franchise adopts the amended UFOC Guidelines." The Commission added that "UFOC disclosures required to be prepared, amended, revised, or filed on and after the revocation date by the Rule or state law must satisfy the requirements of the UFOC Guidelines as amended by NASAA on April 25, 1993, for use in compliance with the Franchise Rule." 58 FR at 69,225.

On July 28, 1995, the State of New York became the final franchise registration state to adopt the amendments to the UFOC. Accordingly, the revocation date for the Commission's acceptance of disclosure documents prepared according to the 1986 UFOC Guidelines should be January 28, 1996. The Commission, however, adopts January 1, 1996, as the revocation date of the 1986 UFOC Guidelines. A January 1, 1996, revocation date creates a brightline that would comport with the practice of many franchisors who use a calendar fiscal year. Moreover, a January 1, 1996, revocation date would be easier for franchise regulators to administer. The Commission notes that if it adopted a January 28, 1996, revocation date, then some franchisors would be able to delay converting to the amended UFOC until January 1997. This would delay the phase-in period of the amended UFOC unnecessarily and would deny many prospective franchisees the benefit of the significant improvements set forth in the new UFOC format. Finally, the Commission notes that a January 1, 1996, revocation date likely would cause minimal harm to franchisors. Franchisors have been on notice since December 30, 1993, that the

Commission would revoke acceptance of the 1986 UFOC Guidelines in the near future. Indeed, Section 265 of the amended UFOC Guidelines states NASAA's view that the amended UFOC should take effect "no later than January 1, 1995." Although the Commission did not adopt the January 1, 1995, due date set out in the amended UFOC Guidelines, franchisors were clearly on notice that the franchise registration states preferred an early conversion from the 1986 UFOC to the amended UFOC Guidelines.

For these reasons, the Commission adopts January 1, 1996, as the revocation date for acceptance of disclosures prepared under the 1986 UFOC Guidelines. UFOC disclosures required to be prepared, amended, revised, or filed on and after January 1, 1996, must satisfy the requirements of the 1993 UFOC Guidelines as adopted by NASAA on April 25, 1993, and approved by the Commission on December 30, 1993 (58 FR 69,224) for use in compliance with the Franchise Rule.

#### List of Subjects in 16 CFR Part 436

Advertising, Business and industry, Franchising, Trade practices.

Authority: 15 U.S.C. 42-58.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 95-24678 Filed 10-3-95; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Bureau of Alcohol, Tobacco and Firearms

#### 27 CFR Part 9

[TD ATF-368 ; Re: Notice No. 812]

RIN: 1512-AA07

#### Puget Sound Viticultural Area (94F-019P)

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

**ACTION:** Final rule, Treasury decision.

**SUMMARY:** This final rule establishes a viticultural area in the State of Washington to be known as "Puget Sound." The petition for this viticultural area was filed by Gerard and Jo Ann Bentryn, Owners-Winemakers of Bainbridge Island Vineyards.

ATF believes that the establishment of viticultural areas and the subsequent use of viticultural area names as appellations of origin in wine labeling and advertising allows wineries to

designate the specific areas where the grapes used to make the wine were grown and enables consumers to better identify the wines they purchase.

**EFFECTIVE DATE:** October 4, 1995.

**FOR FURTHER INFORMATION CONTACT:** David W. Brokaw, Wine, Beer and Spirits Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue, NW., Washington, DC 20226, (202) 927-8230.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 23, 1978, ATF published Treasury Decision ATF-53 (43 FR 37672, 54624) revising regulations in 27 CFR Part 4. These regulations allow the establishment of definitive viticultural areas. The regulations allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements. On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 56692) which added a new Part 9 to 27 CFR, providing for the listing of approved American viticultural areas, the names of which may be used as appellations of origin.

Section 4.25a(e)(1), Title 27, CFR, defines an American viticultural area as a delimited grape-growing region distinguishable by geographic features, the boundaries of which have been delineated in Subpart C of Part 9.

Section 4.25a(e)(2), Title 27, CFR, outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area. The petition should include:

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

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

(c) Evidence relating to the geographical characteristics (climate, soil, elevation, physical features, etc.) which distinguish the viticultural features of the proposed area from surrounding areas;

(d) A description of the specific boundaries of the viticultural area, based on features which can be found on United States Geological Survey (U.S.G.S.) maps of the largest applicable scale, and;

(e) A copy (or copies) of the appropriate U.S.G.S. map(s) with the proposed boundaries prominently marked.

#### Petition

ATF received a petition from Gerard and Jo Ann Bentryn of Bainbridge Island Vineyards & Winery in Bainbridge Island, Washington, proposing to establish a new viticultural area within the State of Washington to be known as "Puget Sound." Puget Sound (or the "Sound") is an inlet of the Pacific Ocean in Northwestern Washington, extending about 100 miles south from Admiralty Inlet and Juan de Fuca Strait to Olympia. The viticultural area lies within the land basin surrounding the Sound. Eight letters of support from wineries and vineyards located within the area were included with the petition. These letters of support were from: Mount Baker Vineyards, Whidbey Island Winery, Lopez Island Vineyards, Inc., E.B. Foote Winery, Blue Apple Vineyard, Molly's Vineyard, Coolen Wine Cellar, and Johnson Creek Winery/Alice's Restaurant.

The Puget Sound viticultural area is located in the Northwestern portion of Washington State. The entire Puget Sound watershed contains 13,100 square miles of land, 150 square miles of fresh water, and 2,500 square miles of saltwater. The Puget Sound viticultural area contains approximately 55% of the watershed's land area and water or 7,150 square miles of land and 1,500 square miles of water for a total area of 8,650 square miles. It has a maximum length of 190 miles from north to south and 60 miles from east to west, although it is most often less than 45 miles wide.

#### Notice of Proposed Rulemaking

In response to Gerard and Jo Anne Bentryn's petition, ATF published a notice of proposed rulemaking, Notice No. 812, in the Federal Register on May 22, 1995 [60 FR 27060], proposing the establishment of the Puget Sound viticultural area. The notice requested comments from all interested persons by July 6, 1995.

#### Comments on Notice of Proposed Rulemaking

ATF did not receive any letters of comment in response to Notice No. 812. Eight letters of support from wineries and vineyards located within the area were included with the petition as discussed above. Accordingly, this final rule establishes a Puget Sound viticultural area with boundaries identical to those proposed in Notice No. 812.

#### *Evidence That the Name of the Area is Locally or Nationally Known*

The name "Puget Sound" was established in 1791 by Captain George