



[Billing Code: 4810–31–P]

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2020–0007; Notice No. 192]

RIN: 1513–AC55

Proposed Modification of the Boundaries of the Santa Lucia Highlands and Arroyo Seco Viticultural Areas

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

ACTION: Notice of proposed rulemaking.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes to modify the boundaries of the “Santa Lucia Highlands” viticultural area and the adjacent “Arroyo Seco” viticultural area in Monterey County, California. The proposed boundary modifications would remove approximately 376 acres from the Santa Lucia Highlands viticultural area and would also remove 148 acres from the Arroyo Seco viticultural area and place them entirely within the Santa Lucia Highlands viticultural area. The proposed viticultural areas and the proposed modification areas are located entirely within the established Monterey and Central Coast viticultural areas. 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. TTB invites comments on this proposed addition to its regulations.

DATES: Comments must be received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may electronically submit comments to TTB on this proposal, and view copies of this document, its supporting materials, and any comments TTB receives on it within Docket No. TTB–2020–0007 as posted on Regulations.gov (<https://www.regulations.gov>), the Federal e-rulemaking portal. Please see the “**Public Participation**” section of this document below for full details on how to comment on this proposal via Regulations.gov, U.S. mail, or hand delivery, and for full details on how to view or obtain copies of this document, its supporting materials, and any comments related to this proposal.

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). The Secretary has delegated various authorities through Treasury Order 120–01, dated December 10, 2013 (superseding Treasury Order 120–01, dated January 24, 2003), to the TTB Administrator to perform the functions and duties in the administration and enforcement of these provisions.

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 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 provides that any interested party may petition TTB to establish a grape-growing region as an AVA. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes the standards for petitions for the establishment or modification of AVAs. Petitions to modify an AVA must include the following:

- In the case of an expansion in size of an AVA, evidence that the proposed expansion area is nationally or locally known by the name of the AVA into which it would be placed;
- In the case of a reduction in size of an AVA, an explanation of the extent to which the current AVA name does not apply to the excluded area;
- An explanation of the basis for defining the boundary of the proposed areas to be realigned, including an explanation of how the boundary of the existing AVA was incorrectly or incompletely defined or is no longer accurate due to new evidence or changed circumstances;
- In the case of an expansion of an 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 expansion area similar to the AVA into which it would be placed and distinguish it from adjacent areas outside the established AVA;

- In the case of a reduction of an AVA, a narrative description of the features of the proposed AVA affecting viticulture, such as climate, geology, soils, physical features, and elevation, that differentiate the proposed reduction area from the established AVA and demonstrate a greater similarity to the features of adjacent areas outside the established AVA;
- The appropriate United States Geological Survey (USGS) map(s) showing the location of the proposed AVA boundary modifications, with the proposed boundary modifications clearly drawn thereon; and
- A detailed narrative description of the proposed AVA boundary modifications based on USGS map markings.

Santa Lucia Highlands–Arroyo Seco Boundary Modification Petition

TTB received a petition from Patrick Shabram on behalf of the Santa Lucia Highlands Wine Artisans, proposing to modify the boundaries of the Santa Lucia Highlands AVA (27 CFR 9.139) and the adjacent Arroyo Seco AVA (27 CFR 9.59). The Santa Lucia Highlands AVA and the Arroyo Seco AVA are both located within Monterey County, California, and are both located entirely within the established Monterey AVA (27 CFR 9.98) and the Central Coast AVA (27 CFR 9.75).

The petition contains two separate boundary modification proposals. The first proposal would remove approximately 376 acres from the northern part of the Santa Lucia Highlands AVA. The petition states that the proposed reduction area is within the floodplain of the Salinas River and that no vineyards are planted or proposed in this location. The land removed from the Santa Lucia

Highlands AVA would remain within the Monterey AVA and the Central Coast AVA.

The second proposed modification affects a portion of the shared Santa Lucia Highlands–Arroyo Seco AVA boundary. The modification would remove 148 acres of foothills terrain from the western side of the Arroyo Seco AVA and place them entirely within the southeastern region of the Santa Lucia Highlands. One vineyard containing approximately 135 acres of vines would be affected by this boundary realignment, and the vineyard owner included a letter of support in the petition. The modification would reduce the size of the Arroyo Seco AVA by less than 1 percent and would not have any impact on the boundaries of the Monterey AVA or the Central Coast AVA.

Santa Lucia Highlands Reduction

Boundary Evidence

The current northeastern boundary of the Santa Lucia Highlands AVA follows the 100-foot elevation contour southeasterly from its intersection with Limekiln Creek to its intersection with the Salinas River. The boundary then proceeds along the west bank of the Salinas River to its intersection with the 120-foot elevation, where the boundary then turns southeast to briefly follow the 120-foot elevation before jumping to the 160-foot elevation contour. The boundary then follows the 160-foot elevation contour to its intersection with River Road.

The proposed modification to the northeastern boundary of the Santa Lucia Highlands AVA would move the beginning point of the boundary to the

intersection of Limekiln Creek and the 120-foot elevation contour. The boundary would then follow the 120-foot elevation contour southeasterly to River Road, where it would then proceed southeasterly along River Road to an unnamed, unimproved road. From there, the boundary would proceed southeast in a straight line to the terminus of the 110-foot elevation contour, then proceed southeast in a straight line to the Salinas River. The boundary would then follow the Salinas River southeast to the 120-foot elevation contour. From that point, the boundary would follow the contour to River Road and then follow the road to the 160-foot elevation contour. At this point, the proposed boundary would rejoin the current boundary. The result would be the elimination of most of the Salinas River floodplains from the Santa Lucia Highlands AVA.

Name Evidence

The Santa Lucia Highlands AVA, established by T.D. ATF-321 on May 15, 1992 (57 FR 20764), is named for the Santa Lucia Mountain Range, and is located on the eastern edge of these mountains, in the lower elevations of the Sierra de Salinas. T.D. ATF-321 shows the AVA partly derives its name from the Santa Lucia Range's elevation, noting trade and general publications that reference viticulture "in the Santa Lucia Highlands overlooking Soledad and Salinas Valley."

While currently within the Santa Lucia Highlands AVA, the petition illustrates the topography in the proposed reduction area is inconsistent with the elevations of the Santa Lucia Range from which the "Santa Lucia AVA" partly derives its name. The petition provides evidence showing the proposed

reduction area includes sections of the Salinas River floodplain that have essentially-flat elevations with little-to-no slope. Therefore, the petition shows the current “Santa Lucia Highlands AVA” name is ill-suited for the proposed reduction area.

Comparison of the Proposed Reduction Area to the Santa Lucia Highlands AVA

According to T.D. ATF–321, the distinguishing features of the Santa Lucia Highlands AVA are its topography, climate, and soils. The boundary modification petition states that while the proposed reduction area’s climate is similar to the climate of the rest of the AVA, its topography and soils are more similar to the topography and soils of the adjacent region outside of the AVA.

Topography

The boundary modification petition states that the Santa Lucia Highlands AVA is located on a series of alluvial fans and terraces. Slope angles within the AVA range from 5 to 30 percent, although most of the terraces have slope angles of 5 to 20 percent. The slopes are predominately oriented to the east. The petition states that east-facing slopes expose the vineyards to the cooler morning sun and offer greater solar exposure, compared to west-facing slopes which are exposed to warmer afternoon sun and receive less solar exposure. Furthermore, an eastern exposure allows for fog to burn off early in the morning. The petition also states that the gentle slope angles reduce the risk of frost in the vineyards by allowing cool night air to drain off the vineyards and into the lower, flatter elevations.

According to the petition, the proposed reduction area is on the Salinas Valley floor within the floodplain of the Salinas River. The reduction area has little-to-no slope and lacks the clear easterly orientation of the rest of the Santa Lucia Highlands AVA. It is also not on an alluvial fan or terrace. The petition included a map of the slope angles within the AVA and in the adjacent regions outside the AVA, as well as photographs of the proposed reduction area and the surrounding regions. The slope angle map and the photographs show that the proposed reduction area is essentially flat, similar to the Salinas River valley floor outside the AVA, while the terrain within the AVA is noticeably elevated.

Soils

The soils of the Santa Lucia Highlands AVA are predominately Chualar loams, which make up almost 32 percent of the soils within the AVA. These soils are described as very deep, well-drained soils formed in alluvial material from mixed rock sources. The petition also states that Xerorthent soils are also common within the AVA. Xerorthents are described as a subgroup of Entisols soils common to arid and semi-arid landscapes. Just over 17 percent of the AVA contains soils of this subgroup. The soils of the Santa Lucia Highlands AVA provide good drainage for vineyards.

By contrast, the petition states that the soils in the proposed reduction area are mostly Psamments and Fluvents. These are suborders of Entisols that are sandy and have little organic material. The petition included a map of the location of Psamments and Fluvents within the Santa Lucia Highlands and the region outside the AVA. The maps shows that these soils are primarily found

along the Salinas River's immediate floodplain and the river's channel, which is outside the AVA. The soils represent a little over 0.7 percent of the acreage of the soils of the AVA.

Santa Lucia Highlands–Arroyo Seco Boundary Realignment

The boundary modification petition also proposed to realign a portion of the shared Santa Lucia Highlands–Arroyo Seco AVA boundary. The proposed realignment would remove approximately 148 acres from the Arroyo Seco AVA and place them entirely within the Santa Lucia Highlands AVA.

Boundary Evidence

The petition proposes to realign the segment of the shared Santa Lucia Highlands–Arroyo Seco boundary located along Paraiso Road. The current boundary follows Paraiso Road south from its intersection with Foothill Road to its intersection with Clark Road. The boundary then proceeds east along Clark Road to an unnamed, light-duty road and then follows a straight line southeasterly to the southeast corner of Section 33.

The proposed realigned boundary would follow Paraiso Road south from its intersection with Foothill Road to its intersection with an unnamed road north of Clark Road. The boundary would then follow the unnamed road southeasterly to an intermittent stream. From this point, the boundary would follow the stream southwesterly to the western boundary of Section 21 and then proceed in a straight line southwest to the intersection of Clark Road and to the southern boundary of Section 21. The boundary would then follow Clark Road southwesterly to an unnamed, light-duty road, where the realigned boundary

would rejoin the current boundary. The realignment would remove an alluvial terrace from the Arroyo Seco AVA and place it within the Santa Lucia Highlands AVA.

Name Evidence

The Arroyo Seco AVA, which was established by T.D. ATF–131 on April 15, 1983 (48 FR 16246), derives its name from both the Arroyo Seco land grant and the Arroyo Seco Creek. The Santa Lucia Highlands, established by T.D. ATF–321 on May 15, 1992 (57 FR 20764), was named for the Santa Lucia Range. The Santa Lucia Highlands AVA is located on the eastern edge of this mountain range, in the lower elevations of the Sierra de Salinas.

The proposed realignment area is currently within the Arroyo Seco AVA. The boundary modification petition states that the proposed realignment area is not within the Arroyo Seco land grant, nor does the Arroyo Seco Creek run through it. The petition notes that the proposed realignment area “occupies a highland position consistent with the Santa Lucia Highlands AVA.” Therefore, the petition claims that the current “Arroyo Seco” name is less suited for the proposed realignment area than the “Santa Lucia Highlands” name.

Comparison of the Proposed Realignment Area to the Santa Lucia Highlands AVA and the Arroyo Seco AVA

Topography and soils are distinguishing features of both the Santa Lucia Highlands AVA and the Arroyo Seco AVA. The boundary modification petition states that the topography and soils of the proposed realignment area are more similar to those of the Santa Lucia Highlands AVA than to the topography and soils of the Arroyo Seco AVA.

Topography

As stated previously, the Santa Lucia Highlands AVA is comprised of gently sloping alluvial fans and terraces. The Arroyo Seco AVA, as described in T.D. ATF–131, is comprised of sloping bench land surrounding the Arroyo Seco Creek. The boundary modification petition also notes that the Arroyo Seco AVA contains the watershed of the Arroyo Seco Creek.

The proposed realignment area is located on an alluvial fan. According to the boundary modification petition, the proposed realignment area has an eastern orientation and slope angles above 5 percent. By contrast, the land within the Arroyo Seco AVA that is immediately adjacent to the proposed realignment area has a more gradual slope, becoming nearly flat and lacking an eastern orientation. The petition states that the topographical characteristics of the proposed realignment area are more consistent with those of the Santa Lucia Highlands than the topography of the Arroyo Seco AVA and would justify moving this region from the Arroyo Seco AVA into the Santa Lucia Highlands AVA.

Soils

As stated previously, the prominent soil of the Santa Lucia Highlands AVA is the Chualar series. The boundary modification petition also notes that Placentia sandy loam soils are also present and comprise 5.3 percent of the soils within the Santa Lucia Highlands AVA. The petition states that the principal soil series of the Arroyo Seco AVA are Mocho, Lockwood, Arroyo Seco, Rincon, and Chualar, with Chualar and Arroyo Seco being the most common soil types.

Placentia soils are present only in very small amounts in limited areas within the Arroyo Seco AVA.

The petition states that the soil of the proposed realignment area is comprised of Placentia sandy loam, Chualar, and Arroyo Seco soils. Although all three soil series are found in both the Arroyo Seco AVA and the Santa Lucia Highlands AVA, Placentia soils are not common in the Arroyo Seco AVA except within the proposed realignment area. The petition states that the combination of Placentia, Chualar, and Arroyo Seco soils is more common within the Santa Lucia Highlands AVA. Therefore, the petition claims that moving the proposed realignment area into the Santa Lucia Highlands AVA would enhance the boundary integrity of both AVAs.

TTB Determination

TTB concludes that the petition to modify the boundaries of the Santa Lucia Highlands AVA and the Arroyo Seco AVA merits consideration and public comment, as invited in this notice of proposed rulemaking.

Boundary Description

See the narrative description of the boundary of the petitioned-for AVA boundary modifications in the proposed regulatory text published at the end of this proposed rule.

Maps

The petitioner provided the required maps, and they are listed below in the proposed regulatory text. You may also view the proposed boundary

modifications for the Santa Lucia Highlands and Arroyo Seco AVAs 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, 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 § 4.25(e)(3) of the TTB regulations (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 § 4.39(i)(2) of the TTB regulations (27 CFR 4.39(i)(2)) for details.

If TTB approves the proposed removal of land from the Santa Lucia Highlands AVA, wines produced primarily from grapes grown in the removal area would no longer be eligible to be labeled with "Santa Lucia Highlands" as an appellation of origin. Consequently, wine bottlers using the name "Santa Lucia Highlands" in a brand name, including a trademark, or in another label reference as to the origin of the wine, would have to ensure that the product is eligible to use the AVA name as an appellation of origin under the proposed new boundary

of the Santa Lucia Highlands AVA if this proposed rule is adopted as a final rule. TTB does not anticipate that the proposed removal of land will affect any current labels because the petition indicates there are no vineyards currently planted or planned within the proposed reduction area.

If TTB approved the proposed realignment of the shared Santa Lucia Highlands–Arroyo Seco AVA boundary, the realignment area would be moved from the Arroyo Seco AVA into the Santa Lucia Highlands AVA. Wines produced primarily from grapes grown in the realignment area would no longer be eligible to be labeled with “Arroyo Seco” as an appellation of origin. Consequently, wine bottlers using the name “Arroyo Seco” in a brand name, including a trademark, or in another label reference as to the origin of the wine, would have to ensure that the product is eligible to use the AVA name as an appellation of origin under the proposed new boundary of the Arroyo Seco AVA if this proposed rule is adopted as a final rule. However, if the proposed realignment is approved, wines produced primarily from grapes grown in the realignment area would be eligible to be labeled with “Santa Lucia Highlands” as an appellation of origin. The petition included a letter of support for the proposed realignment from the only vineyard owner located within the proposed realignment area.

The approval of the proposed boundary realignments would not affect the Monterey AVA or the Central Coast AVA. Bottlers using “Monterey” or “Central Coast” as an appellation of origin or in a brand name for wines made from grapes grown within the proposed removal area or the proposed realignment area would not be affected by these boundary modifications. The proposed reduction of the

Santa Lucia Highlands AVA boundary would allow vintners to continue using “Monterey” and “Central Coast” as appellations of origin for wines made from grapes grown within the proposed reduction area if the wines meet the eligibility requirements for the appellation. Additionally, the proposed realignment of the shared Santa Lucia Highlands–Arroyo Seco AVA boundary would allow vintners to use “Santa Lucia Highlands” as well as “Central Coast” and “Monterey” as appellations of origin for wines made from grapes grown within proposed realignment area if the wines meet the eligibility requirements for the appellation.

Transition Period

If the proposal to realign the shared Santa Lucia Highlands–Arroyo Seco AVA boundary is approved, a transition rule will apply to labels for wines produced from grapes grown in the area removed from the Arroyo Seco AVA and placed into the Santa Lucia Highlands AVA (the “proposed realignment area”). A label containing the words “Arroyo Seco” may be used on wine bottled within two years from the effective date of the final rule, provided that such label was approved before the effective date of the final rule and that the wine conforms to the standards for use of the label set forth in 27 CFR 4.25 or 4.39(i) in effect prior to the final rule. At the end of this two-year transition period, if the wine is produced primarily from grapes grown in the proposed realignment area, then a label containing the words “Arroyo Seco” in the brand name or as an appellation of origin would not be permitted on the label. TTB believes that the two-year transition period should provide affected label holders with adequate time to use up any old labels. This transition period is described in the regulatory text of this

proposed rule. TTB notes that wine made primarily from grapes grown in the proposed realignment area would be eligible to be labeled with “Santa Lucia Highlands” as an appellation of origin upon the effective date of the final rule. Finally, TTB is not proposing a similar transition period for wines labeled with “Santa Lucia Highlands” that are produced primarily from grapes grown in the area proposed to be removed from the Santa Lucia Highlands AVA, because the petition states that there are no current or planned vineyards within the proposed removal area.

Public Participation

Comments Invited

TTB invites comments from interested members of the public on whether it should modify the boundaries of the Santa Lucia Highlands AVA and the Arroyo Seco AVA as proposed. TTB is also interested in receiving comments on the sufficiency and accuracy of the information submitted in support of the petition. Please provide any available specific information in support of your comments.

TTB also encourages comments from industry members with wine labels potentially affected by the proposed realignment of land from the Arroyo Seco AVA into the Santa Lucia Highlands AVA. If a commenter believes that a conflict will arise, the comment should describe the nature of that conflict, including any anticipated negative economic impact that approval of the proposed AVA will have on an existing viticultural enterprise. TTB is also interested in receiving suggestions for ways to avoid conflicts, for example, by adopting a modified or different boundary for either AVA.

Submitting Comments

You may submit comments on this notice by using one of the following methods:

- *Federal e-Rulemaking Portal:* You may send comments via the online comment form posted with this notice within Docket No. TTB–2020–0007 on “Regulations.gov,” the Federal e-rulemaking portal, at <https://www.regulations.gov>. A direct link to that docket is available under Notice No. 192 on the TTB Web site at <https://www.ttb.gov/wine/wine-rulemaking.shtml>. Supplemental files may be attached to comments submitted via Regulations.gov. For complete instructions on how to use Regulations.gov, visit the site and click on the “Help” tab.

- *U.S. Mail:* You may send comments via postal mail to the Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Box 12, Washington, DC 20005.

Please submit your comments by the closing date shown above in this notice. Your comments must reference Notice No. 192 and include your name and mailing address. Your comments also must be made in English, be legible, and be written in language acceptable for public disclosure. TTB does not acknowledge receipt of comments, and TTB considers all comments as originals.

In your comment, please clearly state if you are commenting for yourself or on behalf of an association, business, or other entity. If you are commenting on behalf of an entity, your comment must include the entity’s name, as well as your name and position title. If you comment via Regulations.gov, please enter

the entity's name in the "Organization" blank of the online comment form. If you comment via postal mail or hand delivery/courier, please submit your entity's comment on letterhead.

You may also write to the Administrator before the comment closing date to ask for a public hearing. The Administrator reserves the right to determine whether to hold a public hearing.

Confidentiality

All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

Public Disclosure

TTB will post, and you may view, copies of this notice, selected supporting materials, and any online or mailed comments received about this proposal within Docket No. TTB-2020-0007 on the Federal e-rulemaking portal, Regulations.gov, at <https://www.regulations.gov>. A direct link to that docket is available on the TTB Web site at https://www.ttb.gov/wine/wine_rulemaking.shtml under Notice No. 192. You may also reach the relevant docket through the Regulations.gov search page at <https://www.regulations.gov>. For information on how to use Regulations.gov, click on the site's "Help" tab.

All posted comments will display the commenter's name, organization (if any), city, and State, and, in the case of mailed comments, all address information, including e-mail addresses. TTB may omit voluminous attachments or material that the Bureau considers unsuitable for posting.

You may also obtain copies of this proposed rule, all related petitions, maps and other supporting materials, and any electronic or mailed comments that TTB receives about this proposal at 20 cents per 8.5- x 11-inch page. Please note that TTB is unable to provide copies of USGS maps or any similarly-sized documents that may be included as part of the AVA petition. Contact TTB's Regulations and Rulings Division by e-mail using the web form at <https://www.ttb.gov/contact-rrd>, or by telephone at 202-453-1039, ext. 175, to request copies of comments or other materials.

Regulatory Flexibility Act

TTB certifies that this proposed regulation, if adopted, would not have a significant economic impact on a substantial number of small entities. The proposed regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of a viticultural area 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 proposed rule is not a significant regulatory action as defined by Executive Order 12866 of September 30, 1993. Therefore, no regulatory assessment is required.

Drafting Information

Karen A. Thornton of the Regulations and Rulings Division drafted this notice of proposed rulemaking.

List of Subjects in 27 CFR Part 9

Wine.

Proposed Regulatory Amendment

For the reasons discussed in the preamble, TTB proposes to amend 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. Section 9.59 is amended by removing paragraphs (c)(12) and (13), redesignating paragraphs (c)(14) through (21) as paragraphs (c)(17) through (24), and adding new paragraphs (c)(12) through (16) and (d) to read as follows:

§ 9.59 Arroyo Seco.

* * * * *

(c) * * *

(12) Then south following Paraiso Road to its intersection with an unnamed, light-duty road north of Clark Road in Section 20, T18S/R6E;

(13) Then east-southeast along the unnamed road for 0.3 mile to its intersection with an intermittent stream;

(14) Then southwesterly along the intermittent stream for 0.2 mile to its intersection with the western boundary of Section 21, T18S/R6E;

(15) Then south-southwest in a straight line for approximately 0.3 mile to the intersection of Clark Road and the southern boundary of Section 21, T18S/R6E;

(16) Then west-southwest along Clark Road for 0.2 mile to its intersection with an unnamed, light-duty road;

* * * * *

(d) *Transition period.* A label containing the words “Arroyo Seco” in the brand name or as an appellation of origin approved prior to [EFFECTIVE DATE] may be used on wine bottled before [DATE 2 YEARS AFTER EFFECTIVE DATE], if the wine conforms to the standards for use of the label set forth in § 4.25 or § 4.39(i) of this chapter in effect prior to [EFFECTIVE DATE].

3. Section 9.139 is amended by redesignating paragraphs (c)(10) through (22) as paragraphs (c)(18) through (30), revising paragraphs (c)(1) through (9), and adding new paragraphs (c)(10) through (17).

The revisions/additions read as follows:

§ 9.139 Santa Lucia Highlands.

* * * * *

(c) * * *

(1) From the beginning point, the boundary follows Limekiln Creek for approximately 1.2 miles northeast to the 120-foot elevation contour.

(2) Then following the 120-foot elevation contour in a general southeasterly direction for approximately 0.9 mile to where it intersects with River Road.

(3) Then following River Road in a southeasterly direction for 0.3 mile to its intersection with an unimproved road near the marked 130-foot elevation.

(4) Then follow a straight line southeast to the terminus of the 110-foot elevation contour.

(5) Then follow a straight line southeast 0.9 mile, crossing onto the Gonzales map, to the Salinas River.

(6) Then follow the Salinas River in a south-southeast direction 0.7 mile, crossing onto the Palo Escrito map, to the intersection of the Salinas River and the 120-foot elevation contour.

(7) Then follow the 120-foot contour south for 1 mile, then southeast to its intersection with River Road.

(8) Then follow River Road east for 0.1 mile to its intersection with an unnamed, light-duty road.

(9) Then follow the unnamed road southeast for 0.2 mile to its intersection with the 160-foot elevation contour.

(10) Then follow the 160-foot elevation contour southeasterly for approximately 5.9 miles to its intersection with River Road.

(11) Then follow River Road southeasterly for approximately 1 mile to the intersection of River, Fort Romie, and Foothill Roads.

(12) Then following Foothill Road in a southeasterly direction for approximately 4 miles to the junction of Foothill Road and Paraiso Roads on the Soledad map.

(13) Then follow Paraiso Road in a southerly direction, crossing onto the Paraiso Springs map, to its intersection with an unnamed, light-duty road north of Clark Road in Section 20, T18S/R6E.

(14) Then follow the unnamed road east-southeast for 0.3 mile to its intersection with an intermittent stream.

(15) Then follow the intermittent stream in a southwesterly direction for 0.2 mile to its intersection with the western boundary of Section 21, T18S/R6E.

(16) Then follow a straight line south-southwest for 0.3 mile to the intersection of Clark Road and the southern boundary of Section 21, T18S/R6E.

(17) Then follow Clark Road west-southwest for 0.2 mile to its intersection with an unnamed, light-duty road.

* * * * *

Signed: March 10, 2020.

Mary G. Ryan,

Acting Administrator.

Approved: June 2, 2020.

Timothy E. Skud,

*Deputy Assistant Secretary
(Tax, Trade, and Tariff Policy).*

[FR Doc. 2020-14579 Filed: 7/17/2020 8:45 am; Publication Date: 7/20/2020]