

The Regulatory Amendment

■ For the reasons discussed in the preamble, we amend title 27 CFR, chapter 1, part 9, 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. Subpart C is amended by adding a new § 9.203 to read as follows:

§ 9.203 Saddle Rock-Malibu.

(a) *Name.* The name of the viticultural area described in this section is “Saddle Rock-Malibu”. For purposes of part 4 of this chapter, “Saddle Rock-Malibu” is a term of viticultural significance.

(b) *Approved Map.* The following United States Geological Survey, 1:24,000 scale, topographic map is used to determine the boundary of the Saddle Rock-Malibu viticultural area: Point Dume Quadrangle California, 7.5-Minute Series (Orthophotoquad), 1995.

(c) *Boundary.* The Saddle Rock-Malibu viticultural area is located in Los Angeles County, California. The boundary of the Saddle Rock-Malibu viticultural area is as described below:

(1) The beginning point is on the Point Dume map at the intersection of Decker Road and Mulholland Highway, section 3, T1S/R19W;

(2) From the beginning point, proceed north-northeast along Decker Road approximately 0.7 mile to its intersection with the southern boundary of the El Conejo land grant, section 3, T1S/R19W; then

(3) Proceed straight east-southeast along the El Conejo land grant boundary line approximately 0.4 mile to the point where the land grant boundary line changes direction to the northeast, section 2, T1S/R19W; then

(4) Proceed straight northeast for approximately 0.5 mile along the El Conejo land grant boundary line to its second intersection with the 1,700-foot contour line in section 2, T1S/R19W; then

(5) Proceed southeasterly along the meandering 1,700-foot contour line, crossing the R19W/R18W range line near the southwest corner of section 6, T1S/R18W, and continue along the 1,700-foot contour line to its intersection with Kanan Road near the southwest corner of section 6, T1S/R18W; then

(6) Proceed south along Kanan Road approximately 0.35 mile to its

intersection with the 1,800-foot contour line (very near the intersection of Kanan Road and an unnamed unimproved road), section 7, T1S/R18W; then

(7) Proceed southeasterly along the meandering 1,800-foot contour line to a point approximately 200 feet due north of the intersection of Mulholland Highway and two unnamed, unimproved roads near the center of section 7, T1S/R18W, and, from that point, proceed due south in a straight line to the intersection of Mulholland Highway and the two unnamed, unimproved roads, section 7, T1S/R18W; then

(8) Following the eastern-most unimproved road, proceed southerly along the meandering unimproved road, passing to the west of a 2,054-foot peak, and continue to the road's intersection with another unnamed, unimproved road immediately south of the section 18 north boundary line and due east of a 2,448-foot peak, section 18, T1S/R18W; then

(9) Proceed southwesterly along the unnamed, unimproved road to its intersection with the Latigo Canyon Road, just east of BM 2125, section 18, T1S/R18W; then

(10) Proceed northerly then westerly along Latigo Canyon Road to its intersection with Kanan Road very near the southeast corner of section 12, T1S/R19W; then

(11) Proceed south along Kanan Road for approximately 0.6 mile to its intersection with the 1,700-foot contour line, located immediately south of the four-way intersection of two unnamed, unimproved roads and Kanan Road, section 13, T1S/R19W; then

(12) Proceed 1.5 miles generally west and northwest along the unnamed, unimproved road that meanders westerly, crossing over several intermittent streams, and continues through Zuma Canyon to its intersection with Encinal Canyon Road at about the 1,806-foot elevation mark, section 11, T1S/R19W; then

(13) Crossing Encinal Canyon Road, proceed northwesterly along the unnamed, unimproved road, which becomes a trail, and continue northerly to the trail's intersection with the 1,900-foot contour line, near the center of section 11, T1S/R19W; then

(14) Proceed northwesterly along the meandering 1,900-foot contour line, circling to the west of the 2,189-foot peak in section 11, to the contour line's intersection with Mulholland Highway at the northern boundary of section 11, T1S/R19W; then

(15) Proceed westerly about 0.8 mile on Mulholland Highway and return to the beginning point.

Signed: May 9, 2006.

John J. Manfreda,
Administrator.

Approved: June 15, 2006.

Timothy E. Skud,

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

[FR Doc. E6-11076 Filed 7-14-06; 8:45 am]

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[T.D. TTB-51; Re: Notice No. 15]

RIN 1513-AA41

Establishment of the Eola-Amity Hills Viticultural Area (2002R-216P)

AGENCY: Alcohol and Tobacco Tax and Trade Bureau (TTB), Treasury.

ACTION: Final rule; Treasury decision.

SUMMARY: This Treasury decision establishes the Eola-Amity Hills viticultural area in Oregon. The viticultural area is entirely within the existing Willamette Valley viticultural area and encompasses roughly 37,900 acres within Polk and Yamhill Counties. We designate 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: *Effective Date:* August 16, 2006.

FOR FURTHER INFORMATION CONTACT: Jennifer Berry, Alcohol and Tobacco Tax and Trade Bureau, Regulations and Rulings Division, P.O. Box 18152, Roanoke, Virginia 24014; telephone 540-344-9333.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (the FAA Act, 27 U.S.C. 201 *et seq.*) requires that alcohol beverage labels provide consumers with adequate information regarding product identity and prohibits the use of misleading information on those labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out its provisions. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these regulations.

Part 4 of the TTB regulations (27 CFR part 4) allows the establishment of definitive viticultural areas and 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) contains the list of approved viticultural areas.

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 distinguishable by geographical features, the boundaries of which have been recognized and defined 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 its geographical origin. The establishment of viticultural areas allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of a viticultural area 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 outlines the procedure for proposing an American viticultural area and provides that any interested party may petition TTB to establish a grape-growing region as a viticultural area. Section 9.3(b) of the TTB regulations requires the petition to include—

- Evidence that the proposed viticultural area is locally and/or nationally known by the name specified in the petition;
- Historical or current evidence that supports setting the boundary of the proposed viticultural area as the petition specifies;
- Evidence relating to the geographical features, such as climate, soils, elevation, and physical features, that distinguish the proposed viticultural area from surrounding areas;
- A description of the specific boundary of the proposed viticultural area, based on features shown on United States Geological Survey (USGS) maps; and
- A copy of the appropriate USGS map(s) with the proposed viticultural area's boundary prominently marked.

Rulemaking Proceedings

Eola Hills Petition

Mr. Russell Raney of Evesham Wood Vineyard and Mr. Ted Casteel of Bethel Heights Vineyard, both of Salem, Oregon, petitioned TTB for the establishment of a viticultural area to be called "Eola Hills." The proposed viticultural area is within the State of Oregon and entirely within the existing

Willamette Valley viticultural area described in 27 CFR 9.90. The petitioners estimate that the proposed area encompasses 37,900 acres, about 1,244 acres of which are planted to vines. At the time of the petition, 12 wineries operated within the proposed area. We summarize below the evidence submitted with the petition.

Name Evidence

As historical evidence of the use of the name "Eola Hills," the petitioners submitted an excerpt from "Oregon Geographic Names" (published by the Oregon Historical Society, 5th edition, 1982, pp. 294–295). This source states that the Eola Hills were named for the village of Eola, situated at the southern end of the ridge. On January 17, 1856, the Oregon territorial legislature incorporated the village as "Eola," a name derived from Aeolus, the Classical Greek god of winds. The source further states that the Eola Hills "constitute one of the important groups of isolated hills in the Willamette Valley." It goes on to explain that the hills have been known by other names, but the name "Eola Hills" seems firmly established."

For additional name evidence, the petitioners also submitted several maps that identify the area as "Eola Hills." Four of the USGS maps used to show the boundaries (Rickreall, Salem West, Mission Bottom, and Amity) identify the area as Eola Hills. The petitioners also submitted two geologic maps of the area issued by the State of Oregon's Department of Geology and Mineral Industries. Both prominently label the area "Eola Hills."

According to the petitioners, Eola Hills has name recognition and a reputation for quality among wine consumers both in and outside of Oregon. For this reason, vineyards and wineries within the area utilize the name frequently in their promotional literature. The petitioners submitted two promotional maps demonstrating this fact. One map, entitled "The Wine Appellations of Oregon," issued by the Oregon Wine Marketing Coalition, portrays the Eola Hills area as a subregion within the Willamette Valley. The other map, entitled "Eola Hills Winegrowing Region, Willamette Valley Oregon," shows the location of all vineyards and wineries in the area.

The petitioners note that a small portion of the proposed viticultural area is sometimes referred to as "Amity Hills." "Oregon Geographic Names" describes the Amity Hills as a northern extension of the Eola Hills separated from the main ridge by a pass east of the town of Amity. USGS maps for McMinnville and Amity, Oregon,

identify this area as Amity Hills. However, the geologic maps issued by Oregon's Department of Geology and Mineral Industries identify this area as part of the Eola Hills. The petitioners argue that, for the purpose of wine designation, consumers in Oregon have come to recognize the entire area as a single unit known as "Eola Hills." They also state that vintners in the Amity Hills portion of the area support the designation of Eola Hills for the entire area.

Boundary Evidence

As evidence of the boundary, the petitioners submitted with the petition six USGS topographic maps on which the Eola Hills are dominant features. The main ridge of the Eola Hills runs north to south, starting approximately 5¾ miles northeast of the town of Amity and extending south for 16 miles to Oregon Highway 22, just north of the Willamette River at West Salem. At their widest point, toward the southern end, the Eola Hills are about 6½ miles across, from Wallace Road in the east to U.S. Highway 99 in the west.

The petitioners use the 200-foot contour line as the predominant boundary marker. They note that they occasionally diverge to use roads or highways where they form a more convenient boundary and to exclude land not deemed suitable for grape cultivation due to soil type, elevation, or urban development.

Distinguishing Features

Soils and Geology

The petitioners state that the soils and geology of the Eola Hills, compared to those of the surrounding areas, are distinctive in two regards. The petitioners note that the prevailing basalt-derived soils of the Eola Hills are shallower than the soils of other hills in the north Willamette Valley, and that these well drained basalt soils are very different from the alluvial soils of the surrounding valley floor.

As evidence of these differences, the petitioners submitted two geologic maps issued by the State of Oregon's Department of Geology and Mineral Industries. One is entitled "Geologic Map of the Rickreall and Salem Quadrangles, Oregon;" the other is entitled "Preliminary Geologic Map of the Amity and Mission Bottom Quadrangles, Oregon." According to these documents, volcanic basalt rock from the lava flows of the Miocene epoch underlies the Eola Hills, and marine sedimentary rock of the Oligocene epoch underlies areas at the lower elevations of the ridge. The soils

at the middle and higher elevations of the Eola Hills are largely well drained silty clay loams weathered from basalt; those on the lower slopes are silt loams weathered predominantly from sedimentary rock, particularly on the west-facing slopes.

According to soil survey maps issued by the U.S. Department of Agriculture, Soil Conservation Service, the dominant basalt-derived soils on the Eola Hills are Nekia soils (recently reclassified as Gelderman soils) and Ritner and Jory soils. The preponderance of the shallower Nekia and Gelderman soils in the Eola Hills differentiates the Eola Hills from the Red Hills farther north, where Jory soils are predominant. Nekia and Gelderman soils have a much lower available water capacity than Jory soils. The most common sedimentary soils on the Eola Hills are Steiwer, Chehulpum, and Helmick soils, especially on the west side of the ridge. Also in the Eola Hills are soils formed in alluvial deposits, the most common of which are the silt loam Woodburn soils. Such alluvial soils generally are only at the lowest elevations of the proposed viticultural area (below 300 feet). Like the soils mentioned above, these alluvial soils also are suitable for wine grapes if they are on slopes steep enough for good water drainage.

Finally, the Eola Hills are surrounded on almost all sides by, and are easily distinguished from, terraces of the Willamette Valley. With few exceptions, the terraces lie below the 200-foot elevation line and are characterized by less drained alluvial soils. According to the petitioners, the soils on these terraces generally are not suitable for the cultivation of premium wine grapes. Therefore, land below an elevation of 200 feet is not included within the proposed Eola Hills boundary.

Topography

The main ridge of the Eola Hills runs north-south and has numerous lateral ridges that run east-west on both sides. Slopes on the west side of the ridge tend to be somewhat steeper and pocketed, and they fall away below an elevation of 200 feet more abruptly than the slopes on the east side, which tend to be gentler and more extensive. Both sides, however, provide vineyard sites with very similar soils and growing conditions. The highest point in the south end of the hills is 1,093 feet. In the central area, near the Polk-Yamhill County line, the ridge peaks at around 1,160 feet; in the north, it peaks at 863 feet. The majority of vineyards in the Eola Hills are at elevations ranging from 250 to 700 feet, although suitable sites, given proper sun exposure and

microclimate, are found above these elevations. Most vineyards in the Eola Hills have a southern, southwestern, or southeastern orientation. However, on gently sloping terrain, east- and west-facing sites are also capable of producing high quality wine grapes.

Climate

According to the petitioners, the Eola Hills are blessed with a temperate climate. Summers are warm, but seldom excessively hot; winters are mild, and in winter, temperatures are usually above freezing. Annual rainfall ranges from under 40 inches on the southeastern edge of the Eola Hills to more than 45 inches in the higher elevations. More important, only about 15 percent of the total annual rainfall in the mid-Willamette Valley occurs from April through September. Thus, rainfall averages during the growing season are uniform throughout the Eola Hills.

The petitioners state that the Eola Hills are influenced more by their position due east of the Van Duzer corridor than by their location in the rain shadow of the Coast Range. Summer ocean winds vented through the corridor often cause dramatic late afternoon drops in temperature, which further distinguish the area from the hills further north. During the growing season, average maximum temperatures at the middle elevations range from 62 °F in April to 83 °F in July. These factors contribute to the ideal conditions for the “cool-climate” grape varieties that dominate in Eola Hills vineyards, such as Pinot Noir, Pinot Gris, and Chardonnay.

The petitioners note that due to the effects of thermal inversion, during the growing season heat accumulation is greater on the slopes of the Eola Hills than on the floor of the surrounding Willamette Valley. Cool air, which drains toward the valley floor during the night, layers warmer air on the lower slopes. The petitioners submitted monthly heat accumulation data that compared a site at the Salem, OR airport on the valley floor with a site at the Seven Springs Vineyard in the Eola Hills for the years 1992–95. The data showed that, for those years, seasonal heat accumulation at the Seven Springs Vineyard site was consistently higher than that at the Salem airport site. Typically, the Seven Springs Vineyard site in the Eola Hills has, during the growing season (April 1 to October 31), a heat accumulation range of 2,300–2,500 degree days, with a base of 60 °F. Based on standards for determining climatic regions using temperature summation, this heat accumulation range places the vineyard high in the

Region 1 category (2,500 degree days or less).

Notice of Proposed Rulemaking

On September 8, 2003, TTB published in the **Federal Register** (68 FR 52875) as Notice No. 15 a notice of proposed rulemaking regarding the establishment of the Eola Hills viticultural area. The comment period was originally scheduled to end on November 7, 2003. However, we received a request from a winery, Eola Hills Wine Cellars, Inc., of Salem, Oregon, to extend the comment period an additional 60 days. The winery stated it needed additional time to gather evidence to support its comment. In consideration of this and in light of the impact that the approval of the proposed Eola Hills viticultural area might have on Eola Hills Wine Cellars' wine labels, we published Notice No. 22 on November 7, 2003 (68 FR 63042), extending the comment period to January 6, 2004.

Comments Received

TTB received 86 comments regarding the proposed Eola Hills viticultural area. Nearly all of the comments discussed the impact that establishment of an area named “Eola Hills” would have on Eola Hills Wine Cellars and its existing labels.

Eola Hills Wine Cellars, in its comments, opposed the proposed name because it would severely restrict its ability to use its “Eola Hills” and “Eola Hills Wine Cellars” brand names. The winery noted that because it depends on grapes from outside the proposed Eola Hills viticultural area to produce the wines labeled with these brand names, its wines will not qualify for viticultural area labeling. At least 85 percent of the wine must be derived from grapes grown within the viticultural area in order for the winery to use its brand names. The winery stated that it must obtain some of its grapes from outside the Eola Hills area in order to maintain consistent production. Even though the winery has been using the “Eola Hills Wine Cellars” brand name on its labels since 1988, it is ineligible for the grandfather provision in 27 CFR 4.39(i)(2), which applies only to brand names used on certificates of label approval issued prior to July 7, 1986. The winery stated that it has worked for years building recognition for its brand names. To lose the use of these names would be, it stated, financially devastating to the winery.

The winery also argued that naming the area “Eola Hills” will cause consumers to confuse wines labeled with the new viticultural area name with Eola Hills Wine Cellars' wines. It

contends that the Eola Hills area is known to consumers because of the reputation of Eola Hills Wine Cellars, and the petitioners are capitalizing on this reputation. In order to protect its name, the winery has applied for trademark status for its brand names with the U.S. Patent and Trademark Office.

For these reasons, Eola Hills Wine Cellars urged that another name be used for the viticultural area. It proposed the names "Brunk House District," "Eola/Amity Hills District," and "Amity Hills/Eola Hills District" as alternative names. The winery also requested that it be granted an exemption under TTB regulations to continue to use its brand names, "Eola Hills" and "Eola Hills Wine Cellars," on its wines regardless of the origin of the grapes used to produce the wine. The winery ended its comment by requesting that TTB hold a hearing regarding the naming of the viticultural area.

Most of the other comments sympathized with the Eola Hills Wine Cellars position. Forty-one commenters stated that they opposed the new area unless a new name is found or some provision made allowing the winery unrestricted use of its brand names. Thirty other comments expressed support for the proposal as published, but urged that Eola Hills Wine Cellars be permitted to operate as if it were eligible for the grandfather provision of § 4.39(i). These commenters argued that the current grandfather date of July 7, 1986, is arbitrary and penalizes newer wine producing areas that have developed since that date. Several remaining comments expressed complete opposition to the proposal because of this issue, while a few expressed complete support. In an effort to find a solution to the problem, the petitioners submitted comments proposing new names for the area—Amity-Eola District, Aeolus Hills (District), and Aeolian Hills (District). They also requested that TTB create a grandfather clause that would permit Eola Hills Wine Cellars to continue using its brand names. Recently, the petitioners advised TTB by e-mail that they would accept a change in the proposed name to "Eola-Amity Hills."

TTB Finding

After careful consideration of the evidence submitted in support of the petition and the public comments received, TTB finds that there is a substantial basis for the establishment of the viticultural area under the name "Eola-Amity Hills." The petitioners submitted sufficient evidence of the viticultural distinctiveness of the

proposed area, and nothing in the comments contradicted that evidence. The petitioners also submitted sufficient evidence (discussed above under "Name Evidence") that a portion of the proposed viticultural area is known as "Amity Hills." As explained earlier, the distinguishing features evidence for Eola Hills applies equally to the Amity Hills portion of the proposed area. Consumers therefore will know that the name "Eola-Amity Hills" refers to the area. Sufficient evidence was not submitted to support any of the other proposed alternative names. In addition, the name "Eola-Amity Hills" will adequately distinguish the viticultural area from the Eola Hills Wine Cellars brand name.

Upon the effective date of this final rule, TTB will recognize only the entire name "Eola-Amity Hills" as having viticultural significance, and therefore Eola Hills Wine Cellars may continue to use its "Eola Hills" and "Eola Hills Wine Cellars" brand names on its wines. With the adoption of "Eola-Amity Hills" as the name of the new viticultural area, it is not necessary to address the issue of a "grandfather" provision for Eola Hills Wine Cellars.

TTB is not granting Eola Hills Wine Cellars' request for a public hearing to discuss the name of the viticultural area. We have determined that a hearing is not necessary because the public record as described above provides a sufficient basis for a decision.

Based on the above, we conclude that it is appropriate to establish the viticultural area under the name "Eola-Amity Hills." Therefore, under the authority of the Federal Alcohol Administration Act and part 4 of our regulations, we establish the Eola-Amity Hills viticultural area in Polk and Yamhill Counties, Oregon, effective 30 days from this document's publication date.

Boundary Description

See the narrative boundary description of the viticultural area in the regulatory text published at the end of this document.

Maps

The maps for determining the boundary of the viticultural area are listed below in the regulatory text.

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. With the establishment of this viticultural area and its inclusion in part 9 of the TTB regulations, its name, "Eola-Amity

Hills" is recognized under 27 CFR 4.39(i)(3) as a name of viticultural significance. The text of the new regulation clarifies this point. Consequently, wine bottlers using "Eola-Amity Hills" in a brand name, including a trademark, or in another label reference as to the origin of the wine, will have to ensure that the product is eligible to use the viticultural area's name as an appellation of origin.

For a wine to be eligible to use as an appellation of origin a viticultural area name or other term specified as being viticulturally significant in part 9 of the TTB regulations, at least 85 percent of the wine must be derived from grapes grown within the area represented by that name or other term, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). If the wine is not eligible to use the viticultural area name or other term as an appellation of origin and that name or term 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 viticultural area name or other term 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 a viticultural area 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.

Regulatory Flexibility Act

We certify that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation imposes no new reporting, recordkeeping, or other administrative requirements. Any benefit derived from the use of a viticultural area name is 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

This rule is not a significant regulatory action as defined by Executive Order 12866 (58 FR 51735). Therefore, it requires no regulatory assessment.

Drafting Information

Jennifer Berry of the Regulations and Rulings Division drafted this document.

List of Subjects in 27 CFR Part 9

Wine.

The Regulatory Amendment

■ For the reasons discussed in the preamble, we amend 27 CFR, chapter 1, part 9, 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. Subpart C is amended by adding § 9.202 to read as follows:

§ 9.202 Eola-Amity Hills.

(a) *Name.* The name of the viticultural area described in this section is “Eola-Amity Hills”. For purposes of part 4 of this chapter, “Eola-Amity Hills” is a term of viticultural significance.

(b) *Approved maps.* The appropriate maps for determining the boundary of the Eola-Amity Hills viticultural area are six United States Geological Survey 1:24,000 scale topographic maps. They are titled—

(1) Rickreall, Oregon, 1969, photorevised 1976;

(2) Salem West, Oregon, 1969, photorevised 1986;

(3) Mission Bottom, Oregon, 1957, revised 1993;

(4) Dayton, Oregon, 1957, revised 1992;

(5) McMinnville, Oregon, 1957, revised 1992; and

(6) Amity, Oregon, 1957, revised 1993.

(c) *Boundary.* The Eola-Amity Hills viticultural area is located in the State of Oregon, within Polk and Yamhill Counties, and is entirely within the Willamette Valley viticultural area. The area's boundary is defined as follows—

(1) The beginning point is on the Rickreall, Oregon, map, at the intersection of State Highways 22 and 223;

(2) From the beginning point, proceed east on State Highway 22 to its intersection with Doaks Ferry Road on the Salem West, Oregon, map; then

(3) Proceed northeast on Doaks Ferry Road to its intersection with the 200-foot contour line southeast of Gibson Gulch, in section 65; then

(4) Follow the 200-foot contour line in a westerly loop until it rejoins Doaks Ferry Road; then

(5) Continue north on Doaks Ferry Road to its intersection with State Highway 221; then

(6) Continue north on State Highway 221 to its intersection with the 200-foot contour line at the point where the

contour line departs from Highway 221 and runs southwest along the southern edge of Spring Valley (section 53 on the Mission Bottom, Oregon, map); then

(7) Follow the 200-foot contour line first south onto the Salem West, Oregon, map, then northwest around the southern and western edge of Spring Valley and back on to the Mission Bottom, Oregon, map; then

(8) Continue to follow the 200-foot contour line generally north on the Mission Bottom, Oregon, map, crossing onto and back from the Amity, Oregon, map and continue past the Yamhill County line and onto the Dayton, Oregon, map; then

(9) Follow the 200-foot contour line from the Dayton, Oregon, map onto the McMinnville, Oregon, map and back to the Dayton, Oregon, map and continue around the northeast edge of the Amity Hills spur of the Eola Hills; then

(10) Follow the 200-foot contour line onto the McMinnville, Oregon, map as it continues around the northern and western periphery of the Amity Hills spur; then

(11) Follow the 200-foot contour line onto the Amity, Oregon, map as it heads first south, then generally southeast, then generally south, along the western edge of the Eola Hills until it intersects Old Bethel Road at a point just north of the Polk County line; then

(12) Follow Old Bethel Road, which becomes Oak Grove Road, south until it intersects with the 200-foot contour line just northwest of the township of Bethel; then

(13) Follow the 200-foot contour line around in a southeasterly loop until it again intersects Oak Grove Road where Oak Grove and Zena Roads intersect; then

(14) Follow Oak Grove Road south until it intersects with Frizzell Road; then

(15) Follow Frizzell Road west for three-tenths mile until it intersects with the 200-foot contour line; then

(16) Follow the 200-foot contour line generally south until it intersects with the beginning point.

Signed: May 9, 2006.

John J. Manfreda,
Administrator.

Approved: June 15, 2006.

Timothy E. Skud,
Deputy Assistant Secretary (Tax, Trade, and Tariff Policy).

[FR Doc. E6-11077 Filed 7-14-06; 8:45 am]

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[T.D. TTB-50; Re: Notice No. 50]

RIN 1513-AA82 thru 1513-AA88

Establishment of the Alta Mesa, Borden Ranch, Clements Hills, Cosumnes River, Jahant, Mokelumne River, and Sloughhouse Viticultural Areas

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

ACTION: Final rule; Treasury decision.

SUMMARY: This Treasury decision establishes seven new viticultural areas within the boundary of the existing Lodi viticultural area, which lies within southern Sacramento and northern San Joaquin Counties in California. The seven new areas are Alta Mesa, Borden Ranch, Clements Hills, Cosumnes River, Jahant, Mokelumne River, and Sloughhouse. We designate 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: *Effective Dates:* August 16, 2006.

FOR FURTHER INFORMATION CONTACT: N. A. Sutton, Alcohol and Tobacco Tax and Trade Bureau, Regulations and Rulings Division, 925 Lakeville St., No. 158, Petaluma, CA 94952; telephone 415-271-1254.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (the FAA Act, 27 U.S.C. 201 *et seq.*) requires that alcohol beverage labels provide consumers with adequate information regarding product identity and prohibits the use of misleading information on those labels. The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out its provisions. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these regulations.

Part 4 of the TTB regulations (27 CFR part 4) allows the establishment of definitive viticultural areas and 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) contains the list of approved viticultural areas.