Leah Wentz, who have established a vineyard in the proposed expansion area, and who supported the proposed expansion of the Monticello AVA. They claim that they selected their vineyard site in Fluvanna County based on the various viticultural attributes of the area, especially including its climate and soils, which they said were accurately described in the initial petition. TTB did not receive any comments objecting to the proposed AVA expansion.

TTB Determination

After careful review of the petition, TTB finds that the evidence provided by the petitioner sufficiently demonstrates that the proposed expansion area shares the characteristics of the established Monticello AVA and should also be recognized as part of that AVA. 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 expands the 1,320 square mile ''Monticello'' AVA to include the approximately 166 square mile expansion area as described in Notice No. 173, effective 30 days from the publication date of this document.

Boundary Description

See the narrative description of the boundary of the AVA expansion in the regulatory text published at the end of this final rule.

Maps

The petitioner provided the required maps, and they are codified 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. 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 § 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.

The expansion of the Monticello AVA will not affect any other existing AVA, and bottlers using ''Monticello'' as an appellation of origin or in a brand name for wines made from grapes within the ''Monticello'' AVA will not be affected by this expansion of the Monticello AVA. The expansion of the Monticello AVA will allow vintners to use ''Monticello'' as an appellation of origin for wines made primarily from grapes grown within the expansion area 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 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

Trevar D. Kolodny 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. Section 9.48 is amended by revising paragraph (c)(16), redesignating paragraph (c)(17) as (c)(19), and adding new paragraph (c)(17) and paragraph (c)(18) to read as follows:

§ 9.48 Monticello.

* * * * *

(c) * * *

(16) Then continuing southwest along the county line to its intersection with the Rivanna River;

(17) Then southeast along the Rivanna River to its confluence with the James River, near the Fluvanna-Goochland County line;

(18) Then southwest, then northwest along the James River to its intersection with the Albemarle County line;

* * * * *

Signed: September 5, 2018.

John J. Manfreda,

Administrator.

Approved: December 4, 2018.

Timothy E. Skud,

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

[FR Doc. 2018–27125 Filed 12–13–18; 8:45 am]

BILLING CODE 4810–31–P

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2018–0003; T.D. TTB–153; Ref: Notice No. 172]

RIN 1513–AC36

Expansion of the Arroyo Seco 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) is expanding the approximately 18,240-acre ''Arroyo Seco'' viticultural area in Monterey County, California, by approximately 90 acres. The established Arroyo Seco viticultural area and the expansion area both lie within the established Monterey viticultural area and the larger, multi-county Central Coast 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 January 14, 2019.

FOR FURTHER INFORMATION CONTACT: Christopher Forster-Smith, Alcohol and Tobacco Tax and Trade Bureau, Regulations and Rulings Division, 1310 G Street NW, Box 12, Washington, DC 20005; phone 202–453–1039, ext. 150.

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 Department 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 this law.

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. Petitioners may use the same process to request changes involving established AVAs. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes standards for petitions for modifying established AVAs. Petitions to expand an established AVA must include the following:

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

Petition To Expand the Arroyo Seco AVA

TTB received a petition from Ann Hougham, owner of the Mesa del Sol Vineyards, proposing to expand the established ''Arroyo Seco'' AVA. The Arroyo Seco AVA (27 CFR 9.59) was established by T.D. ATF–131, which was published in the **Federal Register** on April 15, 1983 (48 FR 16245). The Arroyo Seco AVA covers approximately 18,240 acres in Monterey County, California. The proposed expansion area and the established AVA are both located within the Monterey AVA (27 CFR 9.98) and the larger, multi-county Central Coast AVA (27 CFR 9.75).

The proposed expansion area contains approximately 90 acres and is adjacent to the far southwestern corner of the established Arroyo Seco AVA. The proposed expansion area is located on an upland terrace on the northern bank of a creek known as the Arroyo Seco, which is Spanish for ''dry creek.'' There is one vineyard covering approximately 14 acres within the proposed expansion area. The petition included a copy of an email from the Arroyo Seco Winegrowers, stating that the proposed expansion was shared with its members and received no objections. Unless otherwise noted, all information and data pertaining to the proposed expansion area contained in this document come from the petition and its supporting exhibits.

According to the petition, the soils and topography of the proposed expansion area are similar to those of the established Arroyo Seco AVA. The soils of the proposed expansion area and the established AVA are gravelly and fine sandy loams with low lime and salt content and pH levels between 5.1 and 8.4. The proposed expansion area contains soils primarily from the Lockwood, Elder, and Mocho series, which are all principal soil series within the established Arroyo Seco AVA. Finally, the proposed expansion area and the established AVA are both regions of terraces and alluvial fans with elevations from approximately 600 to 700 feet, and slope angles between 0 and 9 percent.

Although the proposed expansion area is more similar to the Arroyo Seco AVA than the surrounding regions, the proposed expansion area still shares some of the features of the surrounding Monterey and Central Coast AVAs. For example, the proposed Arroyo Seco AVA expansion area has moderate elevations and soils with lime, salt, and pH levels similar to the Monterey AVA and shares the marine climate influence of the larger Central Coast AVA due to its proximity to the Pacific Ocean. However, the soils of the proposed expansion area have medium-to-high levels of organic matter, compared to the very low levels of organic matter that characterize the Monterey AVA. Additionally, due to its location east of the Santa Lucas Mountains, the proposed expansion area is not as exposed to the marine air and fog as the more western regions of the Central Coast AVA that are closer to the ocean. Finally, because of its much smaller size, the topographical features of the proposed expansion area are more uniform than the diverse features of the large multicounty Central Coast AVA, and are more similar to the topographical features of the Arroyo Seco AVA, which is located on the same sloping bench lands and terraces along the Arroyo Seco as the proposed expansion area.

Notice of Proposed Rulemaking and Comments Received

TTB published Notice No. 172 in the **Federal Register** on Friday, April 6, 2018 (83 FR 14791), proposing to expand the Arroyo Seco AVA. In the notice, TTB summarized the evidence from the petition regarding the name,

boundary, and distinguishing features for the proposed expansion area. For a detailed description of the evidence relating to the name, boundary, and distinguishing features of the proposed expansion area, and for a comparison of the distinguishing features of the proposed expansion area to the surrounding areas and to the established Arroyo Seco AVA, see Notice No. 172.

In Notice No. 172, TTB solicited comments on the accuracy of the name, boundary, climatic, and other required information submitted in support of the petition. The comment period closed on June 5, 2018.

TTB received no comments in response to Notice No. 172.

TTB Determination

After careful review of the petition, TTB finds that the evidence provided by the petitioner sufficiently demonstrates that although the proposed expansion area shares some of the broader characteristics of the larger Monterey and Central Coast AVAs, it is also similar to the established Arroyo Seco AVA and should also be recognized as part of that AVA. Accordingly, under the authority of the FAA Act, section 1111(d) of the Homeland Security Act of 2002, and part 4 of the TTB regulations, TTB expands the 18,240 acre ''Arroyo Seco'' AVA to include the approximately 90-acre expansion area as described in Notice No. 172, effective 30 days from the publication date of this document.

Boundary Description

See the narrative description of the boundary of the AVA expansion in the regulatory text published at the end of this final rule.

Maps

The petitioner provided the required maps, and they are listed in the regulatory text of 27 CFR 9.59.

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 § 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.

The expansion of the Arroyo Seco AVA will not affect any other existing AVA, and bottlers using ''Arroyo Seco,'' ''Monterey,'' or ''Central Coast'' as an appellation of origin or in a brand name for wines made from grapes within the ''Arroyo Seco,'' ''Monterey,'' or ''Central Coast'' AVAs will not be affected by this expansion of the Arroyo Seco AVA. The expansion of the Arroyo Seco AVA will allow vintners to use ''Arroyo Seco,'' ''Monterey,'' or ''Central Coast'' as an appellation of origin for wines made primarily from grapes grown within the expansion area 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 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

Christopher Forster-Smith 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. Section 9.59 is amended by revising paragraphs (c) introductory text and (c)(1), redesignating paragraphs (c)(2) through (c)(21) as paragraphs (c)(3) through (c)(22), and adding new paragraph (c)(2) to read as follows:

§ 9.59 Arroyo Seco.

* * * * *

(c) *Boundaries.* The Arroyo Seco viticultural area is located in Monterey County, California. The beginning point is found on the ''Sycamore Flat'' U.S.G.S. map at the intersection of Jamesburg Road (known locally as Carmel Valley Road) and Arroyo Seco Road, near the intersection of sections 21, 22, 28, and 27, T.19 S., R. 5 E. From the beginning point, proceed southwesterly along Arroyo Seco Road to its intersection with Piney Creek.

(1) Then southeasterly along Piney Creek to its confluence with the Arroyo Seco in section 27, T. 19 S., R. 5 E.

(2) Then northerly along the Arroyo Seco to its intersection with the southern boundary of section 22, T. 19 S., R 5 E.

* * * * *

Signed: September 19, 2018.

John J. Manfreda,

Administrator.

Approved: December 4, 2018.

Timothy E. Skud,

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

[FR Doc. 2018–27014 Filed 12–13–18; 8:45 am]

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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2018–0006; T.D. TTB–155; Ref: Notice No. 175]

RIN 1513–AC39

Establishment of the Van Duzer Corridor Viticultural Area and Clarification of the Eola-Amity Hills Viticultural Area Boundary Description

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 59,871-acre ''Van Duzer Corridor'' viticultural area in Polk and