

[FR Doc. 04-27017 Filed 12-8-04; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF THE TREASURY**Alcohol and Tobacco Tax and Trade Bureau****27 CFR Part 9**

[TTB T.D.-20; Re: Notice No. 19]

RIN 1513-AA59

Establishment of the Yamhill-Carlton District Viticultural Area (2002R-216P)**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.**ACTION:** Final rule; Treasury decision.

SUMMARY: This Treasury decision establishes the Yamhill-Carlton District viticultural area in Yamhill and Washington Counties, Oregon. The new Yamhill-Carlton District viticultural area is entirely within the existing Willamette Valley viticultural area. 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:* February 7, 2005.

FOR FURTHER INFORMATION CONTACT: N. A. Sutton, Program Manager, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, 925 Lakeville St., #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 the consumer with adequate information regarding a product's identity and prohibits the use of misleading information on such 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 geographic 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 found 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.

Yamhill-Carlton District Petition*General Background*

TTB received a petition from Alex Sokol-Blosser, Secretary of the North Willamette Valley AVA Group, on behalf of Yamhill-Carlton District winegrowers, proposing a new viticultural area to be called the "Yamhill-Carlton District." Ken Wright was the author of the petition. The proposed Yamhill-Carlton District viticultural area is located about 35 miles southwest of Portland, Oregon, and 25 miles inland from the Pacific

Ocean. The proposed area is wholly within Yamhill and Washington Counties in northwestern Oregon and is entirely within the existing Willamette Valley viticultural area (27 CFR 9.90). As of the 2002 Yamhill-Carlton District petition, there were 26 vineyards within the area, with about 650 acres planted to grapes.

The proposed Yamhill-Carlton District viticultural area is distinguished primarily by elevation, soil, and climate. Within the viticultural area's described boundary the defined viticultural area is limited to elevations between 200 feet and 1,000 feet, yielding size of 8,500 acres. A precedent exists for elevation as a distinguishing factor with the establishment of the Mendocino Ridge viticultural area in Mendocino County, California, which includes land only at or above the 1,200-foot elevation (*see* 27 CFR 9.158 and T.D. ATF-392 at 62 FR 55512, October 27, 1997).

Name Evidence

This viticultural area is locally known as the "Yamhill-Carlton District," according to the petition. The viticultural area surrounds the towns of Yamhill and Carlton, Oregon, which lie 3 miles apart along State Route 47 in Yamhill County. While the two towns operate independently, they have had strong ties since their separate incorporations over 100 years ago. The hyphenated expression of the cities' names has been used since 1853 with the establishment of the Yamhill-Carlton Pioneer Cemetery.

In modern times, the Yamhill-Carlton Union High School has existed since 1955 and operates under the supervision of the Yamhill-Carlton School District. The two cities share a newspaper, the Carlton-Yamhill Review. The USGS Carlton map identifies the towns of Yamhill and Carlton and the Yamhill-Carlton Pioneer Cemetery.

Boundary Evidence

Geographically, the Yamhill-Carlton District viticultural area is a south-facing bowl containing a series of horseshoe-shaped eroded hills composed of sedimentary parent material. To the area's west is the higher-elevation Coast Range, to the south is a cooler maritime-influenced area, and to the east and north are natural lowland drainages. The area's western boundary is based on the change to sedimentary soils from the volcanic soils of the Coast Range. The higher elevations of the coastal hills to the west, generally ranging from 1,000–2,000 feet, are much cooler and have proven unsuitable for grape growing.

At the viticultural area's southwestern boundary, the area's almost purely sedimentary parent material changes to a mix of basalt, slate, and sedimentary material. The southern boundary transitions to a valley floor that contains deep soils composed of Willamette silts. The frost-prone nature of this lower elevation region, combined with its high soil permeability and fertility, makes it unsuitable for production of quality vinifera grape varieties.

Abbey and Kuehne Roads serve as the Yamhill-Carlton District viticultural area's eastern border and mark the change from its sedimentary soils to the volcanic soils of the Dundee Hills. Millican Creek, a natural drainage between the viticultural area and the Dundee Hills, runs along this boundary line, flowing from north to south and eventually joining the Yamhill River near the town of Lafayette. Chehalem Creek's drainage system separates the Yamhill-Carlton District from Ribbon Ridge and the Chehalem Mountains to the northeast. The Yamhill-Carlton District's sedimentary soils are generally coarser in texture and subject to more faulting, uplifts, and erosion than the Ribbon Ridge sedimentary soils.

The Wapato Lake Bed, a large, low drainage area on the northeastern boundary of the Yamhill-Carlton District, separates it from the Chehalem Mountains. The soils of these two viticultural regions are vastly different. The Yamhill-Carlton District has highly eroded sedimentary parent material, while the Chehalem Mountains, which lie across the Wapato Lake Bed, have soils formed from wind-blown mixed material and overlying basalt. The northern border of the Yamhill-Carlton District viticultural area coincides with the low elevation Patton Valley with its predominately wind-blown soil.

In modern times, two vineyards can lay claim to being first planted in the Yamhill-Carlton viticultural area. In 1974, Roy and Betty Wahle planted 8 acres of vinifera grapes, and, that same year, Pat and Joe Campbell of Elk Cove Vineyards also planted an 8-acre vineyard. In 1977, Elk Grove Estate produced the first commercial wine in the Yamhill-Carlton area, and, as of 2002, there were 10 commercial wineries in the area.

Distinguishing Features

Soils

The most significant feature separating the Yamhill-Carlton District viticultural area from nearby grape-growing regions is the area's predominant ancient sedimentary soils. Wines made from grapes grown in these

sedimentary soils often contain distinct aromatic flavors (coffee, cocoa, anis, cedar, tobacco) not found in the same wine varieties grown in different soils, according to the petition. Also, the petition adds that the wines made from grapes grown in these ancient sedimentary soils are consistently lower in acid than wines made from grapes grown in basaltic or wind-blown soils.

According to "The Roadside Geology of Oregon" (David Alt and Donald W. Hyndman), the soils of the Yamhill-Carlton District, formed in the Eocene era, are derived from marine sediments and ocean floor volcanic basalt that have a high water-holding capacity with moderate to high erosion levels. Alan Campbell of NW Vineyards prepared a vineyard soils map of Yamhill County, Oregon, which shows that the western hills of the Yamhill-Carlton District comprise two soils groups, Willakenzie on the lower elevation slopes and Peavine on the upper slopes. Peavine soils dominate the northern section of the viticultural area, while its eastern slopes comprise Wellsdale and Willakenzie soil series.

The sedimentary soils of the Yamhill-Carlton District viticultural area are millions of years older than the soils in the surrounding areas. In contrast, younger volcanic-based soils formed in the Miocene Era dominate in the Eola Hills (south of the Yamhill-Carlton District), Chehalem Mountains (north and east of the Yamhill-Carlton District), and Dundee Hills (southeast of the Yamhill-Carlton District).

The Eola Hills have predominately basalt soil series (Neika, Gelderman, Ritner), which are characterized by their low water capacity, slow permeability, and moderate erosion level. The Chehalem Mountains have a combination of Columbia River basalt, ocean sedimentation, and wind-blown loess derivation soil types. The Dundee Hills contain soils mainly derived from Columbia River basalt lavas (largely based on the Jory series), which are moderately fertile and well drained, with slight to moderate erosion levels. The Ribbon Ridge region, immediately east of the Yamhill-Carlton District viticultural area, also contains primarily sedimentary soils. However, these were formed in the Oligocene Era and are younger, finer, and more uniform than the sedimentary soils of the Yamhill-Carlton District.

The floor of the Willamette Valley, at elevations of 200 feet or below, contains fine-grained soils deposited as a result of the Missoula floods, which occurred 12,000 years ago. These Willamette silt soils have greater depth, fertility, and water-holding capacity than soils of the

viticultural area. The fertility and water-holding capacity of these low-elevation soils extends the vegetative period of the vine and delays the ripening of vines planted in the Willamette valley.

Elevation

Within the Yamhill-Carlton District viticultural area's boundary, which is described in the regulatory text below, only land from 200 feet to 1,000 feet in elevation is included within the viticultural area. At elevations below 200 feet, the low valley floors are prone to frost. Conversely, at elevations greater than 1,000 feet, the higher terrain is significantly cooler and lacks the necessary heat to properly ripen wine grapes.

Climate

The climate of the Yamhill-Carlton District viticultural area is distinct from the surrounding areas. It is bordered on the west by the mountains of the Coast Range, which have a colder climate as measured in degree-days (a heat summation obtained by totaling each day's temperature above 50 degrees Fahrenheit during the growing season), and which are unsuitable for production of vinifera wine grape varieties. Also, temperatures in the Yamhill-Carlton District annually average 18.3 days above 90° F, while the Coast Range has only 2 such days, making it a significantly cooler growing area.

The Coast Range is also wetter than the Yamhill-Carlton viticultural area. According to data obtained from the Oregon Climate Service, average rainfall for the Yamhill-Carlton District is 42 inches, while the Coast Range receives between 80 and 110 inches per year.

The regions immediately south of the Yamhill-Carlton area are influenced by the cooling effect of weather systems flowing inland from the Pacific Ocean through the Van Duzer Corridor, a mountain gap in the Coast Range, at Dallas, Oregon. This corridor funnels cooling marine summer breezes east toward Salem, which substantially lowers the average temperature during the growing season. This marine cooling effect quickly dissipates as it moves north towards the Yamhill-Carlton District.

The Yamhill-Carlton District has a 42-inch average annual rainfall, as compared to 49.1 inches for Dallas, Oregon, to the south at the Van Duzer Corridor. Also, Dallas, Oregon, has 51 fewer degree-days than McMinnville, Oregon (which is at the southern border of the Yamhill-Carlton District), and 186 fewer degree-days than Forest Grove, Oregon (which lies 6 miles north of the viticultural area).

The Patton Valley, a large, low area just north of the Yamhill-Carlton District, has an annual rainfall average difference of about 2 inches when compared with the Yamhill-Carlton District viticultural area. However, the 30-year average temperature data show the area north of Patton Valley to have 135 more degree-days than the Yamhill-Carlton District.

Boundary Description

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

Maps

The petitioner(s) provided the required maps, and we list them below in the regulatory text.

Notice of Proposed Rulemaking

TTB published a notice of proposed rulemaking regarding the establishment of the Yamhill-Carlton District viticultural area in the October 7, 2003, **Federal Register** as Notice No. 19 (68 FR 57845). In that notice, TTB requested comments by December 8, 2003, from all interested persons. We received one comment supporting the establishment of the Yamhill-Carlton District viticultural area.

After careful review, TTB finds that the evidence submitted with the petition supports the establishment of the proposed viticultural area. Therefore, under the authority of the Federal Alcohol Administration Act and part 4 of our regulations, we establish the "Yamhill-Carlton District" viticultural area in Oregon, effective 60 days from this document's publication date.

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, "Yamhill-Carlton District," is recognized as a name of viticultural significance. Consequently, wine bottlers using "Yamhill-Carlton District" in a brand name, including a trademark, or in another label reference as to the origin of the wine, must 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 the name of a viticultural area specified in part 9 of the TTB regulations, at least 85 percent of the grapes used to make the wine must have been grown within the area

represented by that name, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). If the wine is not eligible to use the viticultural area name as an appellation of origin 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 viticultural area 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 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 Analyses and Notices

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 requirement. 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

N.A. Sutton of the Regulations and Procedures 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. Amend subpart C by adding § 9.183 to read as follows:

§ 9.183 Yamhill-Carlton District.

(a) *Name.* The name of the viticultural area described in this section is "Yamhill-Carlton District".

(b) *Approved maps.* The appropriate maps for determining the boundary of the Yamhill-Carlton District viticultural area are eight 1:24,000 Scale U.S.G.S. topography maps. They are titled:

- (1) Gaston Quadrangle, Oregon, 1956, revised 1992;
- (2) Laurelwood Quadrangle, Oregon, 1956, revised 1992;
- (3) Dundee Quadrangle, Oregon, 1956, revised 1993;
- (4) Carlton Quadrangle, Oregon—Yamhill Co., 1957, revised 1992;
- (5) Fairdale Quadrangle, Oregon—Yamhill Co., 1979;
- (6) McMinnville Quadrangle, Oregon—Yamhill Co., 1957, revised 1992;
- (7) Muddy Valley Quadrangle, Oregon—Yamhill Co., 1979, revised 1992; and
- (8) Turner Creek Quadrangle, Oregon, 1979.

(c) *Boundary.* The Yamhill-Carlton District viticultural area is located in Yamhill and Washington Counties, Oregon, and is entirely within the Willamette Valley viticultural area. The Yamhill-Carlton District viticultural area is limited to lands at or above 200 feet in elevation and at or below 1,000 feet in elevation within its boundary, which is described as follows—

(1) The point of beginning is on the Gaston map in the village of Gaston at the intersection of Gaston Road East (E. Main Street within Gaston) and the 200-foot elevation line, approximately 225 feet west of State Route 47, section 49, T1S, R4W. From this beginning point, proceed southerly and then southeasterly about 8.15 miles along the meandering 200-foot elevation line (crossing to and from the Laurelwood map in sections 12 and 13, T2S, R4W, and then returning to the Laurelwood map) to the 200-foot elevation line's intersection with Spring Hill Road, section 58, T2S, R3W (Laurelwood Quadrangle); then

(2) Proceed south 1.1 miles on Spring Hill Road, which becomes North Valley Road at Laughlin Road, crossing onto the Dundee map, to the road's intersection with the 200-foot elevation line, section 30, T2S, R3W (Dundee Quadrangle); then

(3) Proceed northerly then southerly for approximately 5 miles along the 200-foot elevation line, crossing over to and back from the Laurelwood map, to the 200-foot elevation line's intersection with State Route 240, section 47, T3S, R3W (Dundee Quadrangle); then

(4) Proceed straight west for 0.2 mile on State Route 240 to its intersection with Kuehne Road at the 207-foot benchmark, section 47, T3S, R3W (Dundee Quadrangle); then

(5) Proceed southerly for about 1.9 miles on Kuehne Road to its intersection with Abbey Road, section 50, T3S, R3W (Dundee Quadrangle); then

(6) Proceed southwesterly 1.4 miles on Abbey Road to its intersection with the 200-foot elevation line, north of the 174-foot elevation point, section 52, T3S, R3W (Dundee Quadrangle); then

(7) Proceed southwesterly for about 2.1 miles along the meandering 200-foot elevation line to Lafayette Cemetery on the Carlton map in section 1, T4S, R4W, and turning northerly along the 200-foot elevation line, continue along the elevation line for about 6 miles, crossing to and from the Dundee map, to the 200-foot elevation line's intersection with Stag Hollow Road, north of Hendricks Road and 190-foot elevation point, section 24, T3S, R4W (Carlton Quadrangle); then

(8) Continue westerly along the meandering 200-foot elevation line, turning northeasterly as the elevation line passes through the Carlton Lakes State Wildlife Refuge, then westerly as the elevation line crosses Stag Hollow Creek in section 47, T3S, R4W, then southerly as the elevation line crosses the North Yamhill River on the Fairdale map in section 43, T2S, R5W, then, returning to the Carlton map, continue southerly on the 200-foot elevation line to its intersection with Meadow Lake Road near the southwest corner of section 55, T3S, R4W (Carlton Quadrangle);

(9) Continue westerly along the meandering 200-foot elevation line, crossing onto the Fairdale map, to the elevation line's intersection with the 123°17'30" longitude line (north of Panther Creek) in the western extension of section 22, T3S, R5W (Fairdale Quadrangle); then

(10) Proceed 0.2 mile straight south along the 123°17'30" longitude line, crossing Panther Creek, to the line's intersection with the 200-foot elevation line south of the creek in the western extension of section 22, T3S, R5W (Fairdale Quadrangle); then

(11) Proceed easterly and then southeasterly along the meandering 200-foot elevation line, crossing onto the Carlton map, then the McMinnville map, to the elevation line's third intersection with an unnamed light-duty road, southwest of the Henderson Benchmark in section 87, T4S, R4W (McMinnville Quadrangle);

(12) Continue southerly and then westerly along the meandering 200-foot

elevation line, crossing onto the Muddy Valley map, to the elevation line's intersection with Baker Creek Road (very near Baker Creek Road's intersection with High Heaven Road) in section 54, T4S, R5W (Muddy Valley Quadrangle); then

(13) Proceed west-southwest for 0.8 mile on Baker Creek Road to its intersection with the 123°17'30" longitude line in Happy Valley, section 54, T4S, R5W (Muddy Valley Quadrangle); then

(14) Proceed straight north 13.4 miles on the 123°17'30" longitude line, passing through the Fairdale map and crossing onto the Turner Creek map, to the longitude line's intersection with the 1,000-foot elevation line in the northwestern quadrant of section 10, T2S, R5W, approximately one mile diagonally northwest of the footbridge in Menefee Park (Turner Creek Quadrangle); then

(15) Proceed easterly and then northerly for 4.1 miles along the meandering 1,000-foot elevation line to its intersection with the Washington-Yamhill County line at northern boundary of section 3, T2S, R5W (also the common T1S/T2S boundary line) (Turner Creek Quadrangle); then

(16) Proceed straight east 3.9 miles along the Washington-Yamhill County line, crossing onto the Gaston map, to the county line's intersection with South Road, just east of Mt. Richmond Road, section 60, T2S, R4W (Gaston Quadrangle); then

(17) Proceed east-northeast for 1.8 miles on South Road to its intersection with the 200-foot elevation line, 0.3 mile west of the Gaging Station, section 34, T1S, R4W (Gaston Quadrangle); then

(18) Proceed easterly 1.9 miles along the 200-foot elevation line and return to the beginning point within the village of Gaston.

Signed: November 1, 2004.

Arthur J. Libertucci,
Administrator.

Approved: November 18, 2004.

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

[FR Doc. 04-27016 Filed 12-8-04; 8:45 am]

BILLING CODE 4810-31-P

PANAMA CANAL COMMISSION

35 CFR Chapter I

Panama Canal Regulations

Vacation of Title

Editorial Note: Under section 121 of Public Law 108-309, the Panama Canal

Commission (PCC) and its Office of Transition Administration (OTA) terminated on October 1, 2004. A letter from the General Attorney for the PCC OTA to the Office of the Federal Register has confirmed that PCC regulations should be removed from the Code of Federal Regulations (CFR).

Therefore, the Director of the Federal Register, pursuant to his authority to maintain an orderly system of codification under 44 U.S.C. 1510 and 1 CFR 8.2 hereby removes from the CFR, Title 35, Chapter I consisting of Parts 1 to 299.

Accordingly, Title 35 of the Code of Federal Regulations is hereby vacated.

[FR Doc. 04-55526 Filed 12-8-04; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[R05-OAR-2004-MN-0002; FRL-7846-7]

Approval and Promulgation of Implementation Plans: Minnesota: Minneapolis-St. Paul Carbon Monoxide Maintenance Plan Update

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is approving a revision to the Minnesota State Implementation Plan (SIP) for the maintenance of the Carbon Monoxide (CO) ambient air quality standards (NAAQS) submitted on November 10, 2004. Specifically, EPA is approving Minnesota's revised 1996 and 2009 CO emissions inventories and 2009 Motor Vehicle Emissions Budgets (MVEB) recalculated using MOBILE6 for the Minneapolis-St. Paul CO maintenance area.

DATES: This rule is effective on January 24, 2005, unless EPA receives relevant adverse written comments by January 10, 2005. If adverse comment is received, EPA will publish a timely withdrawal of the rule in the **Federal Register** and inform the public that the rule will not take effect.

ADDRESSES: Submit your comments, identified by Docket ID No. R05-OAR-2004-MN-0002 by one of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the on-line instructions for submitting comments.

E-mail: bortzer.jay@epa.gov.

Fax: (312) 886-5824.

Mail: You may send written comments to: J. Elmer Bortzer, Chief, Air Programs Branch (AR-18)),