

(a) *Name.* The name of the viticultural area described in this section is "Escondido Valley."

(b) *Approved map.* The appropriate map for determining the boundaries of the "Escondido Valley" viticultural area is 1 U.S.G.S. (scale 1:250,000) map. It is titled Fort Stockton, Texas, 1954 (revised 1973).

(c) *Boundary.* The Escondido Valley viticultural area is located in Pecos County, Texas. The boundary is as follows:

(1) The beginning point is the intersection of Interstate Route 10 (I-10) and an intermittent stream approximately 18 miles east of the city of Fort Stockton (standard reference GE3317 on the Fort Stockton, Texas, U.S.G.S. map);

(2) From the beginning point, the boundary follows I-10 in an easterly direction approximately 9 miles until a southbound trail diverges from I-10 just past the point where it intersects horizontal grid line 2 of square GE on the Fort Stockton, Texas, U.S.G.S. map;

(3) The boundary then follows the trail in a generally southeasterly direction about 5 miles until it intersects the 3000 foot contour line;

(4) The boundary follows the 3000 foot contour line in a generally westerly direction approximately 17 miles;

(5) The boundary continues to follow the 3000 foot contour line as it turns sharply northwest, but diverges from the contour line when the contour line turns south again;

(6) From the point where it diverges from the contour line, the boundary follows a straight north-northwesterly line as it returns to the beginning point at I-10.

Signed: February 6, 1992.

Stephen E. Higgins,  
Director.

Approved: April 28, 1992.

Dennis M. O'Connell,  
Deputy Assistant Secretary (Regulatory,  
Trade and Tariff Enforcement).

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## 27 CFR Part 9

[T.D. ATF-321:RE:Notice No. 722]

RIN 1512-AA07

### Santa Lucia Highlands, CA 91F016P

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

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

**SUMMARY:** This final rule establishes a viticultural area located entirely within

Monterey County, California, to be known as "Santa Lucia Highlands." This final rule is based on a notice of proposed rulemaking published in the *Federal Register* on August 15, 1991, at 56 FR 40583, Notice No. 722.

ATF believes that the establishment of viticultural areas and the subsequent use of viticultural area names as appellations of origin in wine labeling and advertising will help consumers identify the wines they may purchase. The establishment of viticultural areas also allows wineries to specify further the origin of wines they offer for sale to the public.

**EFFECTIVE DATE:** June 15, 1992.

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

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 23, 1979, ATF published Treasury Decision ATF-53 (43 FR 37672, 54624) revising regulations in 27 CFR part 4. These regulations allow the establishment of definite American viticultural areas. The regulations also allow the name of an approved viticultural area to be used as an appellation of origin in the labeling and advertising of wines.

On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 56692) which added a new part 9 to 27 CFR, providing for the listing of approved American viticultural areas, the names of which may be used as appellations of origin. Section 4.25a(e)(1), title 27, CFR defines an American viticultural area as a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been delineated in subpart C of part 9. Section 4.25a(e)(2), title 27, CFR, outlines the procedure for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area. The petition should include:

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

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

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

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

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

#### Petition

ATF received a petition from Mr. Barry Jackson of the Harmony Wine Company proposing a viticultural area in central Monterey County, California, to be known as "Santa Lucia Highlands." The area consists of the eastern flank of the Santa Lucia Mountain Range and is located completely within the boundaries of the current Monterey viticultural area. The general boundaries are: Limekiln Creek to the north; the Salinas River and its associated terraces to the east; the western border of the "Arroyo Seco" viticultural area in the Southeast; and the western border of the "Monterey" viticultural area to the west.

The total area of the appellation is approximately 22,000 acres. There are currently 1,850 acres committed to active viticulture, with plans underway to plant an additional 400 acres to winegrapes. Commercial viticulture in the area began in the early 1970's. The following factors differentiate the proposed Santa Lucia Highlands from the adjacent Salinas Valley floor and other viticultural areas in Monterey County: (1) A well defined alluvial terrace running the length of the eastern boundary; (2) Generally cooler microclimate: cool Region I/II vs. Region II/III; (3) Different soil types: gravelly, sandy loam vs. silty clay loam; (4) Higher elevation: initially 40 to 120 feet higher than the valley floor and climbing to 1200 feet above the valley floor; (5) Climate: less wind and earlier fog burn-off with morning sun and; (6) East facing slopes receiving morning sun first.

There are three wineries located within the viticultural area: Smith & Hook, Paraiso Springs, and Robert Talbot.

#### Evidence of Name

Both wine trade and general publications recognize the Santa Lucia Highlands viticultural area as a grape-growing region. The May, 1990, "Mead on Wine" trade publication discusses the 1987 Smith and Hook "Monterey" Merlot, as having been "grown entirely in the Santa Lucia Highlands." An article in the "Vail Trails Daily Options" entitled, "California Wine Comes To Vail," refers to the Smith and Hook

Vineyards as "nestled in the Santa Lucia Highlands of central California's Monterey County." The 1990 Orange County Fair and Orange County Wine Society Judges Dinner menu includes Smith and Hook 1987 "Santa Lucia Highlands" Merlot. Additionally, a newspaper article in the "Bakersfield Californian" on May 10, 1990, discussing Smith and Hook, states it to be "the isolated winery located in the Santa Lucia Highlands overlooking Soledad and Salinas Valley."

### Geographical Evidence

#### Topography

The Santa Lucia Highlands comprise the eastern flank of the Santa Lucia Mountains that extend westward to the Pacific Ocean.

The dominant feature of the Santa Lucia Highlands are the alluvial terraces. These terraces are one of the major factors differentiating the "highlands" from the Salinas valley floor. The main terrace formation runs from just southwest of Gonzales to the area due south of Soledad. The most northerly section of the proposed area, from Limekiln Creek to the area near the junction of River Road and Gonzales Road, is characterized by multiple terrace formations.

#### Climate

Proximity to the Pacific Ocean results in a strong maritime influence on temperature, wind, and fog formation.

Examination of the heat summation data shows a generally cooler climate on the west side of the valley. Precipitation is concentrated in the winter months and averages 10 to 15 inches annually. Due to the maritime influence, fog is a constant feature in the Salinas Valley, particularly during summer months. The fog burns off earlier in the day in the areas above the valley floor. This earlier burn-off results in greater light intensity for a longer period for vineyards located in the highlands.

The north-south orientation of the valley causes cool marine air to be drawn into the valley by warm air rising off the valley floor. The narrow aspect of the valley (approximately 6 miles wide at Gonzales and 3 miles at Soledad) creates somewhat of a wind-tunnel effect. Windspeeds average 5 to 16 miles per hour, but higher velocities are not uncommon, particularly around Soledad where the valley narrows. Windspeeds are highest through the center of the valley and diminish at the valley edges and in the highlands.

#### Soils

The "soil survey of Monterey County, California" issued by the Department of Agriculture Soil Conservation Service, April 18, 1978, show the primary soils associated with the alluvial terraces of the Santa Lucia Highlands to be of the Arroyo Seco and Chualar series. These are well-drained soils formed from granitic alluvium, and in the case of the Chualar series, some schistose rocks on alluvial fans and terraces. These soils are generally loam or gravelly, sandy loam, with an underlying very gravelly material. Permeability is moderately rapid. Roots can penetrate to a depth of sixty inches or more. These soils form slopes of 2 percent to 9 percent on most of the alluvial fans and terraces.

Included in the alluvial fans and terraces are small areas of Placentia, Rincon, Tujunga, Lockwood, Gorgonio, and Hanford soils.

The upper slopes of the Santa Lucia Mountains are composed of Cieneba, Sheridan, Vista, Junipero, McCoy, Gazos, Linne, and Santa Lucia-Relize association soils, on slopes of 15 percent to 75 percent grade.

The geology of the Santa Lucia range consists of large masses of granitic and metamorphic rock in the northern section, diatomaceous shale and massive sandstone in the central area, and masses of shale, sandstone, and serpentine to the south.

In contrast, the soils of the valley floor are primarily from the Mocho, Cropley, Pico and Danville series. The Mocho soils of the valley floor are silty clay loams of 0 percent to 2 percent grade. The Pico and Danville soils are sandy clay loams of 0 percent to 2 percent grade.

#### Notice of Proposed Rulemaking

On August 15, 1991, Notice No. 722 was published in the *Federal Register* with a 45-day comment period. In that notice, ATF requested comments regarding the proposal to establish the Santa Lucia Highlands as an American viticultural area. Since the U.S.G.S. maps included with the petition showed that the proposed area is located on the leeward side of a ridge named "Sierra de Salinas," ATF was particularly interested in receiving comments concerning whether the name "Santa Lucia Highlands" is locally or nationally known as referring to the proposed area. During the comment period, one comment was received, and it supported the establishment of the Santa Lucia Highlands as a viticultural area. This comment did not specifically address ATF's concern as noted above. The commenter stated that, "The Santa

Lucia Highlands is an area that is geographically and climatologically distinct from surrounding and contiguous areas. The alluvial fans and bench lands forming the Santa Lucia Highlands are discernible with the naked eye from many miles away."

#### Miscellaneous

ATF does not wish to give the impression by approving the "Santa Lucia Highlands" as a viticultural area that it is approving or endorsing the quality of the wine derived from the area. ATF is approving this area as being distinct and not better than other areas. By approving this area, ATF will allow wine producers to claim a distinction on labels and in advertisements as to the origin of the grapes. Any commercial advantage gained can only come from consumer acceptance of wines from the Santa Lucia Highlands.

#### Regulatory Flexibility Act

It is hereby certified that this document will not have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required because the proposal, if promulgated as a final rule, is not expected (1) to have secondary, or incidental effects on a substantial number of small entities; or (2) to impose, or otherwise cause a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities.

#### Executive Order 12291

It has been determined that this document is not a major regulation as defined in E.O. 12291 and a regulatory impact analysis is not required because it will not have an annual effect on the economy of \$100 million or more; it will not result in a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographical regions; and it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of the United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

#### Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1980, Public Law 96-511, 44 U.S.C. chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this final rule because no requirement to collect information is proposed.

**Drafting Information**

The principal author of this document is David W. Brokaw, Wine and Beer Branch, Bureau of Alcohol, Tobacco and Firearms.

**List of Subjects in 27 CFR Part 9**

Administrative practice and procedure, Consumer protection, Viticultural areas, Wine.

**Authority and Issuance**

27 CFR part 9, American Viticultural Areas, is amended as follows:

**PART 9—AMERICAN VITICULTURAL AREAS**

**Paragraph 1.** The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

**Par. 2.** Subpart C is amended by adding § 9.139 to read as follows:

**Subpart C—Approved American Viticultural Areas**

\* \* \* \* \*

**§ 9.139 Santa Lucia Highlands.**

(a) *Name.* The name of the viticultural area described in this section is "Santa Lucia Highlands."

(b) *Approved maps.* The appropriate maps for determining the boundaries of the "Santa Lucia Highlands" viticultural area are 7 U.S.G.S. Quadrangle 7.5 minute series topographic maps. They are titled:

(1) Chualar, Calif., 1947 (photorevised 1984)

(2) Gonzales, Calif., 1955 (photorevised 1984)

(3) Rana Creek, Calif., 1956 (photoinspected 1973)

(4) Palo Escrito Peak, Calif., 1956 (photorevised 1984)

(5) Soledad, Calif., 1955 (photorevised 1984)

(6) Sycamore Flat, Calif., 1956 (photorevised 1984)

(7) Paraiso Springs, Calif., 1956 (photorevised 1984)

(c) *Boundaries.* The Santa Lucia Highlands viticultural area is located in Monterey County, California. The beginning point is found on the "Chualar, California" U.S.G.S. map, where Limekiln Creek crosses the 360 foot contour interval. This point also coincides with the western boundary of the Guadalupe Y Llanitos de los Correos Land Grant and the eastern boundary of section 28, T. 16S., R. 4E. The boundary is as follows:

(1) From the beginning point the boundary follows Limekiln Creek for approximately 1.25 miles northeast to the 100 foot elevation.

(2) Then following the 100 foot contour in a southeasterly direction for approximately 1 mile, where the boundary intersects the west bank of the Salinas River.

(3) Then following the west bank of the Salinas River in a southeasterly direction on the Gonzales, California U.S.G.S. map for approximately 2.50 miles to the point on the Palo Escrito Peak, California U.S.G.S. map where the river channel crosses the 120 foot elevation.

(4) Then following the 120 foot elevation due south for approximately 2,200 feet where it climbs to the 160 foot elevation.

(5) Then following the 160 foot elevation in a southeasterly direction for approximately 6.50 miles, to the point where the 160 foot elevation crosses River Road.

(6) Then following River Road in a southeasterly direction for approximately 1 mile to the junction of River, Fort Romie and Foothill Roads.

(7) Then following Foothill Road in a southeasterly direction for approximately 4 miles to the junction of Foothill and Paraiso Roads on the Soledad, California U.S.G.S. map.

(8) Then following Paraiso Road in a southerly direction to the intersection with Clark Road on the Paraiso Springs, California U.S.G.S. map.

(9) Then south for approximately 1.8 miles to the southeast corner of section 32, T. 18S., R. 6E.

(10) Then due west along the southern boundaries of sections 32 and 31, to the southwest corner of section 31, T. 18S., R. 6E.

(11) Then north along the western boundaries of sections 31 and 30, to the northwestern corner of section 30 T. 18S., R. 6E.

(12) Then northwest in a straight diagonal line to the northwest corner of section 24, T. 18S., R. 5E on the Sycamore Flat, California U.S.G.S. map.

(13) Then north along the western boundary of section 13, T. 18S., R. 5E., to the northwestern corner of section 13, T. 18S., R. 5E.

(14) Then northwest in a diagonal line across sections 11 and 3, to the northwest corner of section 3, T. 18S., R. 5E on the Palo Escrito Peak, California U.S.G.S. map.

(15) Then due west along the southern boundary of section 33, T. 17S., R. 5E., to the southwestern corner of section 33, T. 17S., R. 5E.

(16) Then north along the western boundary of section 33 to the southeast corner of section 29, T. 17S., R. 5E.

(17) Then northwest in a diagonal line through sections 29, 19, 13, and 11, to the northwest corner of section 11, T. 17S.,

R. 4E on the Rana Creek, California U.S.G.S. map.

(18) Then north along the western boundary of section 2, T. 17S., R. 4E., to the northwestern corner of section 2, T. 17S., R. 4E.

(19) Then west along the southern boundary of section 34, T. 16S., R. 4E., to the southwestern corner of section 34, T. 16S., R. 4E.

(20) Then north along the eastern boundary of sections 33 and 28, T. 16S., R. 4E., for approximately 1 mile, to the point where the eastern boundary of section 28 T. 16S., R. 4E., coincides with the western boundary of the Guadalupe Y Llanitos de los Correos Land Grant on the Chualar, California U.S.G.S. map.

(21) Then northwest along the grant line for approximately 2,500 feet to the point of beginning on Limekiln Creek.

Signed: February 3, 1992.

Stephen E. Higgins,  
Director.

Approved: February 7, 1992.

John P. Simpson,  
Deputy Assistant Secretary, (Regulatory,  
Trade, and Tariff Enforcement).  
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**PENSION BENEFIT GUARANTY CORPORATION****29 CFR Part 2676****Valuation of Plan Benefits and Plan Assets Following Mass Withdrawal—Interest Rates**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Final rule.

**SUMMARY:** This is an amendment to the Pension Benefit Guaranty Corporation's regulation on Valuation of Plan Benefits and Plan Assets Following Mass Withdrawal (29 CFR part 2676). The regulation prescribes rules for valuing benefits and certain assets of multiemployer plans under sections 4219(c)(1)(D) and 4281(b) of the Employee Retirement Income Security Act of 1974. Section 2676.15(c) of the regulation contains a table setting forth, for each calendar month, a series of interest rates to be used in any valuation performed as of a valuation date within that calendar month. On or about the fifteenth of each month, the PBGC publishes a new entry in the table for the following month, whether or not the rates are changing. This amendment adds to the table that rate series for the month of June 1992.