ADDRESS: You may send comments to one of the following addresses:
- http://www.regulations.gov (via the online comment form for this notice as posted within Docket No. TTB–2008–0005 at “Regulations.gov,” the Federal e-rulemaking portal);
- Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 14412, Washington, DC 20044–4412.

See the Public Participation section of this notice for specifications on submissions and requirements for submitting comments, and for information on how to request a public hearing.

You may view copies of this notice, selected supporting materials, and any comments we receive about this proposal at http://www.regulations.gov within Docket No. TTB–2008–0005. A link to that docket is posted on the TTB Web site at http://www.ttb.gov/wine/wine_rulemaking.shtml under Notice No. 85. You also may view copies of this notice, all related petitions, maps or other supporting materials, and any comments we receive about this proposal by appointment at the TTB Information Resource Center, 1310 G Street, NW., Washington, DC 20220. Please call 202–927–2400 to make an appointment.

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

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 regulations promulgated under the FAA Act.

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 American viticultural areas.

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Notice No. 85; Docket No. TTB–2008–0005]

RIN 1513–AB47

Proposed Expansion of the Paso Robles Viticultural Area (2008R–073P)

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

ACTION: Notice of proposed rulemaking.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau proposes to expand by 2,635 acres the existing 609,673-acre Paso Robles American viticultural area in San Luis Obispo County, California. If this change is approved, the expanded Paso Robles viticultural area would continue to lie entirely within San Luis Obispo County and within the multi-county Central Coast 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. We invite comments on this proposed change to our regulations.

DATES: We must receive written comments on or before September 15, 2008.
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. Petitioners may use the same procedure to request changes involving existing viticultural areas. 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 geographic 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.

Paso Robles Expansion Petition

Background

Previous Petitions

On October 4, 1983, the Bureau of Alcohol, Tobacco and Firearms (ATF) published a final rule, T.D. ATF–148 (48 FR 43293), to establish the “Paso Robles” American viticultural area (AVA) in northern San Luis Obispo County, California (see 27 CFR 9.84). As established, the Paso Robles AVA was entirely within the Central Coast AVA (27 CFR 9.75) and, to the west, it bordered the much smaller York Mountain AVA (27 CFR 9.80). In 1983, the Paso Robles AVA contained approximately 5,000 acres of vineyards.

As established, the Paso Robles AVA was defined by the San Luis Obispo-Monterey county line in the north, the Cholame Hills to the east, and the Santa Lucia Mountains to the south and west. According to T.D. ATF–148, the Santa Lucia Mountains largely protect the Paso Robles AVA from the intrusion of marine air and fog from the Pacific Ocean, giving the Paso Robles AVA a drier and warmer summer climate than regions to the west and south. The Paso Robles AVA also is characterized by day to night temperature changes of 40 to 50 degrees, annual rainfall of 10 to 25 inches, 600 to 1,000 foot elevations, and well-drained alluvial soils in terrace deposits.

Lacking a feasible way to use physical features, such as ridge lines, to define the Paso Robles AVA’s boundary, the original petitioner largely used a series of township and range lines and point-to-point lines to delineate the AVA’s boundary. The southern-most portion of the Paso Robles AVA was delineated to the south by the east-west T29S/T30S township boundary line and to the east by the north-south R13E/R14E range line.

On June 13, 1996, ATF published a final rule, T.D. ATF–377 (61 FR 29952) expanding the Paso Robles AVA along a portion of its western boundary. This expansion added 52,618 acres of land similar to that found in the original AVA. The expansion added to the AVA seven vineyards planted after the Paso Robles AVA’s 1983 establishment, containing 235 acres of grapes. The Paso Robles AVA, as expanded, remained entirely within San Luis Obispo County and the Central Coast AVA, and this westerly expansion did not extend into the York Mountain AVA or change the AVA’s original southern boundary.

Current Southern Expansion Petition

In 2007, the Paso Robles AVA Committee (PRAVAC) submitted a petition to TTB requesting a 2,635-acre expansion of the Paso Robles AVA. The petition states that the PRAVAC represents a broad cross-section of the Paso Robles wine industry and notes that its 59 grape-grower and winery members collectively own or manage over 10,000 acres of vineyards within the Paso Robles AVA.

The proposed expansion area is immediately south of the Paso Robles AVA’s current southern-most boundary, which is delineated by the T29S/T30S township line, as shown on the 1:250,000-scale USGS San Luis Obispo map used to define the AVA’s boundary. As noted in the petition, the Paso Robles AVA’s current southern-most boundary bisects the southern portion of the Santa Margarita Valley, leaving a significant portion of the valley’s southern end outside the AVA boundary as currently defined. The proposed expansion would, therefore, bring most of the remainder of the Santa Margarita Valley within the AVA, as shown on the 1:24,000 USGS Lopez Mountain map submitted with the petition. (TTB notes that, while not used to formally define the AVA’s boundary in the proposed regulatory text, the Lopez Mountain map provides significantly more geographical detail regarding the expansion area due to its smaller scale.)

The proposed southern expansion also lies totally within San Luis Obispo County and the existing Central Coast AVA, and it would not overlap or otherwise affect any previously established or currently-proposed new AVA. According to the petition, the distinguishing features of the proposed expansion area, including its geological history, geomorphology, soils, topography, and climate, are similar to those found in the southern region of the original Paso Robles AVA.

Name Evidence

The petition states that the “Paso Robles” geographical name applies to the proposed southern expansion of the Paso Robles AVA due to the historic, geographic, commercial, and cultural ties between the Santa Margarita Valley and the Paso Robles region of San Luis Obispo County. This is due to that valley’s northward orientation, which is enclosed to the south and west by the Santa Lucia Mountains. Historically, travel was easier going northward through the valley to the city of Paso Robles than it was going southward over the mountains to the city of San Luis Obispo. The petition also states that, due to the stated historic and other ties, local residents and members of the Paso Robles wine industry have assumed that the entire Santa Margarita Valley was within the original Paso Robles AVA boundary line and reference the area as such.

According to the petition, other sources also show the entire Santa Margarita Valley as falling within the Paso Robles region. For example, the Paso Style Living real estate Web site (http://www.pasoestates.com/articles/pasoa.htm) describes the Santa Margarita area as “the Southern edge of
The proposed triangle-shaped expansion of the Paso Robles AVA would move its southern-most point approximately 2.6 miles south in order to encompass most of that portion of the Santa Margarita Valley currently not included within the AVA. Also, the proposed expansion area would increase the length of the commonly-shared eastern boundary of the Paso Robles and Central Coast AVAs by the same distance.

The petition describes the proposed expansion area as part of the “cohesive geographical unit” of the Santa Margarita Valley. Nestled between the Santa Lucia Range and the Salinas River, the Santa Margarita Valley lies on both sides of the Paso Robles AVA’s existing southern boundary line. The petition describes the original Paso Robles AVA southern-most boundary line, which follows the T29S/T3O township line and which bisects the Santa Margarita Valley, as an “imaginary, indiscernible boundary in the landscape, not defined by any topographic or other environmental parameters.”

As explained in T.D. ATF–148, the Paso Robles AVA “is bounded on the west and south by the Santa Lucia Mountain range” which protects the AVA “from marine air intrusion and coastal fogs.” The proposed southern expansion, the petition explains, would more closely align the Paso Robles AVA’s southern-most boundary with the Santa Lucia Range by encompassing most of the portion of the Santa Margarita Valley that is currently outside the AVA. The petition explains that beyond the proposed expansion area to the south is the narrowed terminus of the Santa Margarita Valley, with steep terrain on three sides and inadequate groundwater and warmth to sustain commercial viticulture.

According to the petition, the viticultural history of the Santa Margarita region with the arrival of Spanish missionaries, who, among other things, brought grapes and

from the city of Atascadero, through the town of Santa Margarita, and continues south-southeastward through the proposed expansion area, according to the USGS San Luis Obispo regional map and the petition.

Professor Deborah L. Elliott-Fisk, Ph.D. of the University of California, Davis, an expert on the geography and terroir of California and viticultural area designations, researched and provided the distinguishing features information used in the petition. According to the petition, Dr. Elliott-Fisk coordinated the data and analyses supplied by meteorologist Donald Schukraft, Western Weather Group, LLC, and other experts.

Climate

The climate of the Paso Robles AVA as a whole, according to Dr. Elliott-Fisk, has smaller monthly temperature ranges and less continental influence than the inland areas further to the east, but is less influenced by Pacific marine air and fog than the coastal regions to the west due to the blocking effect of the Santa Lucia Mountains. As part of the larger Paso Robles region, the Santa Margarita Valley has climatic conditions similar to the AVA, Dr. Elliott-Fisk notes, and these conditions exist on both sides of the existing southern-most boundary of the AVA, which passes from west to east through the valley. Dr. Elliott-Fisk adds that other climate similarities found within the valley on either side of the existing AVA boundary include cold air drainage, cold air ponding under temperature inversions, and similar frost patterns, especially early in the growing season. Also, annual precipitation in the valley averages 29 inches, while regions to the east are drier and the coastal mountains to the west are wetter.

These climate similarities are also evident in various climate classification systems. For example, the petition states, the global scale climate classification system of Koppen, Geiger and Pohl (1953) labels the great majority of the Paso Robles region as a Mediterranean warm summer climate (Csb), while the region to the east has a Mediterranean hot summer climate (Csa). Dr. Elliott-Fisk states that the Santa Margarita Valley’s climate is classified as a cool region II climate of approximately 2,900 growing degree-days under the Winkler climate classification system, which is based on annual growing season heat accumulation. This classification is found on both sides of the existing southern-most Paso Robles AVA boundary. (As a measurement of heat...
accumulation during the growing season, 1 degree day accumulates for each degree Fahrenheit that a day’s mean temperature is above 50 degrees, which is the minimum temperature required for grapevine growth. In the Winkler system, climatic region I has less than 2,500 growing degree days per year; region II, 2,501 to 3,000; region III, 3,001 to 3,500; region IV, 3,501 to 4,000; and region V, 4,001 or more. See pages 61–64 of “General Viticulture,” by Albert J. Winkler, University of California Press, 1974.)

Regarding the southern end of the Santa Margarita Valley that lies beyond the proposed expansion, Dr. Elliott-Fisk explains that the steep topography east, south and west of the narrow valley floor causes increases in relief precipitation and evening settling of cold, dense air at the valley’s terminus. Local farmers, the petition explains, state that air temperatures at the far southern end of the valley are too cold to produce quality wine grapes.

Geology

The geological features that characterize the southern region of the Paso Robles AVA continue across the AVA’s southern-most boundary line and are found throughout the Santa Margarita Valley, including the proposed expansion area. Dr. Elliott-Fisk explains that the Salinas River originally formed the Santa Margarita Valley through a process of soil erosion and deposition, while the complex faulting of the Santa Lucia Range formed a graben basin that extends along the valley floor and crosses the existing Paso Robles AVA southern-most boundary line. Later, Dr. Elliott-Fisk notes, the Salinas River carved a new channel to the east through the soft Monterey Formation shales along the Rinconada Fault as the San Andreas Fault zone became more active. Rinconada Creek, a primary Salinas River tributary in the Santa Margarita Valley area, then deposited a series of broad alluvial fans and terraces across the older Salinas River alluvial fill, Dr. Elliott-Fisk explains. She notes that these alluvial terraces extend north and south of the current Paso Robles AVA boundary line and exist throughout the proposed expansion area.

To the east, south, and west of the proposed Paso Robles AVA expansion, Dr. Elliott-Fisk explains, the geology of the landscape is unsuitable for commercial production of wine grapes. She states that, to the east, granitic rocks on the mountainsides make the area difficult to farm and the absence of near-surface rock makes road building difficult. Also, to the south, and at the narrowed southern terminus of the Santa Margarita Valley, Franciscan conglomerate rock underlies the shallow alluvium creating an environment lacking in adequate groundwater. To the west, the landscape includes massive units of the late Cretaceous Franciscan and Great Valley formations, consisting of hard marine sandstones and conglomerates on steep mountain slopes, making the terrain unsuitable for viticulture.

Soils

Similar soils exist on both sides of the current Paso Robles AVA southern boundary line, according to the current USDA soil survey for the Paso Robles Area of San Luis Obispo County (Lindsey, 1978). Climate, parent material, topography, and time, Dr. Elliott-Fisk states, all contribute to the soil type similarities that extend the length of the Santa Margarita Valley. The soils of the Santa Margarita Valley, Dr. Elliott-Fisk explains, include the deep gravelly loam soils of late-mid Quaternary age, grading into shallower clay loam soils against bedrock on the hillsides. Also, younger alluvial deposits dominate the flood plains of the valley’s creeks.

Soils and terrain to the south, east, and west of the Paso Robles AVA proposed southern expansion are, however, unsuitable for commercial viticulture, Dr. Elliott-Fisk explains. To the south, the soils of the valley floor include clay loams with low water permeability and high water capacity with moderate shrink-swell potential, while the mountain slopes to the east and west have shallow top soil, small rooting zones for grapevines, and erosion potential, making those areas unsuitable for viticulture.

Evidence Summary

The PRAVAC petition, including Dr. Elliott-Fisk’s discussion of the proposed expansion area’s distinguishing features and a detailed letter from vineyard developer and manger Neil Roberts, emphasize that similar geological, geographical, and climatic conditions extend through the Santa Margarita Valley, which encompasses a portion of the existing Paso Robles AVA as well as the proposed expansion area. The landforms, topography, and geology features that form the Santa Margarita Valley, the petition explains, are similar both north and south of the existing Paso Robles AVA southern-most boundary line. Also, the valley’s climate, as reflected by Winkler’s degree day values, and its soil types, as documented in the 1978 USDA soil survey for the Paso Robles Area of San Luis Obispo County, show strong similarities on both sides of the current Paso Robles AVA southern-most boundary line. The petition adds that vineyards are farmed the same way north and south of the current Paso Robles AVA boundary line through the valley and these vineyards grow the same varietals.

TTB Determination

TTB concludes that the petition to expand the Paso Robles American viticultural area merits consideration and public comment, as invited in this notice.

Boundary Description

See the narrative boundary description covering the petitioned-for viticultural area expansion in the proposed regulatory text amendment published at the end of this notice.

Maps

The petitioner provided the required map to document the proposed boundary change, and we list that map below in the proposed regulatory text amendment.

Impact on Current Wine Labels

The proposed expansion of the Paso Robles viticultural area will not affect currently approved wine labels. The approval of this proposed expansion may allow additional vintners to use “Paso Robles” as an appellation of origin on their 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 eligible to use a viticultural area name as an appellation of origin or a term of viticultural significance in a brand name, 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). Different rules apply if a wine has a brand name containing a viticultural area name or other viticulturally significant term that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

Public Participation

Comments Invited

We invite comments from interested members of the public on whether we should expand the Paso Robles viticultural area as described above. We are especially interested in comments concerning the similarity of the proposed expansion area to the currently existing Paso Robles...
viticultural area. Please support your comments with specific information about the proposed expansion area’s name, proposed boundaries, or distinguishing features.

Submitting Comments

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

- **Federal e-Rulemaking Portal:** You may send comments via the online comment form posted with this notice within Docket No. TTB–2008–0005 on “Regulations.gov,” the Federal e-rulemaking portal, at http://www.regulations.gov. A direct link to that docket is available under Notice No. 85 on the TTB Web site at http://www.ttb.gov/wine/wine_rulemaking.shtml. Supplemental files may be attached to comments submitted via Regulations.gov. For complete instructions on how to use Regulations.gov, visit the site and click on “User Guide” under “How to Use this Site.”

- **U.S. Mail:** You may send comments via postal mail to the Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 14412, Washington, DC 20044–4412.

Please submit your comments by the closing date shown above in this notice. Your comments must reference Notice No. 85 and include your name and mailing address. Your comments also must be made in English, be legible, and be written in language acceptable for public disclosure. We do not acknowledge receipt of comments, and we consider all comments as originals.

If you are commenting on behalf of an association, business, or other entity, your comment must include the entity’s name as well as your name and position title. If you comment via Regulations.gov, please enter the entity’s name in the “Organization” blank of the online comment form. If you comment via postal mail, please submit your entity’s comment on letterhead.

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

Confidentiality

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

Public Disclosure

We will post, and you may view, copies of this notice, selected supporting materials, and any online or mailed comments we receive about this proposal within Docket No. TTB–2008–0005 on the Federal e-rulemaking portal, Regulations.gov, at http://www.regulations.gov. A direct link to that docket is available on the TTB Web site at http://www.ttb.gov/wine/wine_rulemaking.shtml under Notice No. 85. You may also reach the relevant docket through the Regulations.gov search page at http://www.regulations.gov. For instructions on how to use Regulations.gov, visit the site and click on “User Guide” under “How to Use this Site.”

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

You also may view copies of this notice, all related petitions, maps and other supporting materials, and any electronic or mailed comments we receive about this proposal by appointment at the TTB Information Resource Center, 1310 G Street, NW., Washington, DC 20220. You may also obtain copies at 20 cents per 8.5–x 11-inch page. Contact our information specialist at the above address or by telephone at 202–927–2400 to schedule an appointment or to request copies of comments or other materials.

Regulatory Flexibility Act

We certify that this proposed regulation, if adopted, would not have a significant economic impact on a substantial number of small entities.

The proposed regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of a viticultural area name would be the result of a proprietor’s efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

This proposed rule is not a significant regulatory action as defined by Executive Order 12866. Therefore, it requires no regulatory assessment.

Drafting Information

N.A. Sutton of the Regulations and Rulings Division drafted this notice.

List of Subjects in 27 CFR Part 9

Wine.

Proposed Regulatory Amendment

For the reasons discussed in the preamble, we propose to amend title 27, chapter 1, 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:


Subpart C—Approved American Viticultural Areas

2. Section 9.84 is amended by revising paragraphs (b), (c)(7), and (c)(8), redesignating paragraphs (c)(9) and (c)(10) as (c)(10) and (c)(11), and adding a new paragraph (c)(9). The revisions and addition read as follows:

§ 9.84 Paso Robles.

   (b) Approved Maps. The appropriate map for determining the boundary of the Paso Robles viticultural area is the United States Geological Survey 1:250,000-scale map of San Luis Obispo, California, 1956, revised 1969, shoreline revised and bathymetry added 1979.

   (c) Boundaries. * * * *

   (7) Then in an easterly direction along the T.29S. and T.30S. line for approximately 3.1 miles to its intersection with the eastern boundary line of the Los Padres National Forest;

   (8) Then in a southeasterly direction along the eastern boundary line of the Los Padres National Forest for approximately 4.1 miles to its intersection with the R.13E. and R.14E. line;

   (9) Then in a northerly direction along the R.13E. and R.14E. line for approximately 8.7 miles to its intersection with the T.28S. and T.29S. line;

   * * * *

   Signed: July 8, 2008.

John J. Manfreda,
Administrator.

[FR Doc. E8–16167 Filed 7–14–08; 8:45 am]

BILLING CODE 4810–31–P