

1. Paragraph (c) of § 300.11 is amended by removing the following names from the current list of attorneys-in-fact:

Name	Region
Michael J. Crapp	Atlanta, Ga.
Mary B. Zamiti	Atlanta, Ga.

2. Paragraph (c) of § 300.11 is amended by adding the following name to the current list of attorneys-in-fact:

Name	Region
Cynthia C. Anderson	Atlanta, Ga.

(Section 309(d) of the National Housing Act, 12 U.S.C. Section 1723a(d), and Section 7(d) of the Department of Housing and Urban Development Act, 42 U.S.C. Section 3535(d)).
Issued at Washington, D.C., July 16, 1981.

R. Frederick Taylor,
*Executive Vice President, Government,
National Mortgage Association.*

[FR Doc. 81-22816 Filed 8-4-81; 8:45 am]
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DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

27 CFR Part 9

[T.D. ATF-89; Ref: Notice No. 360]

Santa Maria Valley Viticultural Area

AGENCY: Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury.

ACTION: Final rule, Treasury decision.

SUMMARY: This final rule establishes a viticultural area in portions of Santa Barbara and San Luis Obispo Counties, California, to be named "Santa Maria Valley." The Bureau of Alcohol, Tobacco and Firearms (ATF) believes the establishment of Santa Maria Valley as a viticultural area and its subsequent use as an appellation of origin on wine labels and in wine advertisements will help consumers better identify the wines from this area.

EFFECTIVE DATE: September 4, 1981.

FOR FURTHER INFORMATION CONTACT:

Roger L. Bowling, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226 (202-566-7626).

SUPPLEMENTARY INFORMATION:

Background

On August 23, 1978, ATF published Treasury Decision ATF-53 (43 FR 37671, 54624) revising regulations in 27 CFR Part 4 allowing the establishment of definite viticultural areas. These regulations also allow the name of an approved viticultural area to be used as an appellation of origin in wine labeling and advertising.

Section 4.25a(e)(1) defines an American viticultural area as a delimited grape-growing region distinguishable by geographic characteristics. Section 4.25a(e)(2) outlines the procedures for proposing an American viticultural area. Any interested person may petition ATF to establish a grape-growing region as a viticultural area.

The Newhall Land and Farming Company of Valencia, California, petitioned ATF to establish a viticultural area to be named "Santa Maria Valley." The petition was signed by approximately 90 percent of the grape-growers in the proposed area, and the petitioner was unaware of any opposition to the petition.

In response to this petition, ATF published a notice of proposed rulemaking, Notice No. 360, in the Federal Register on December 15, 1980 (45 FR 82470), proposing the establishment of the Santa Maria Valley viticultural area.

Executive Order 12291

It has been determined that this final regulation is not a "major rule" within the meaning of Executive Order 12291 of February 17, 1981, 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 geographic 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.

Regulatory Flexibility Act

This final rule relates to a notice of proposed rulemaking published prior to January 1, 1981 and, therefore, is not subject to the authority of the Regulatory Flexibility Act.

Public Hearing

A public hearing was held on this issue on January 23, 1981, in Santa Maria, California, to gather evidence concerning the proposed area. Although

no written comments were received on the notice, nine persons testified at the hearing. The testimony given by these nine witnesses and the petition presented sufficient information on which ATF bases this Treasury decision.

Historical and Current Evidence of the Name

The name of the area, Santa Maria Valley, was well-documented at the hearing. The name is shown currently on maps of the area. All of the witnesses testifying on this point stated that the area had always been known by its present name for as long as they could remember which, in some cases, was 60 years or more.

Witnesses also presented testimony that the area has long been an agricultural area, growing a variety of citrus products and avocados. Grapes were introduced as a crop around 1970. After evaluating this testimony, ATF believes that the Santa Maria Valley viticultural area has a unique historical identity and that the name "Santa Maria Valley" is the most appropriate name for the area.

Geographical Evidence

In accordance with 27 CFR 4.25a(e)(2), a viticultural area should possess geographical features which distinguish the viticultural features of the area from surrounding grape-growing areas.

The Santa Maria Valley is a natural funnel-shaped valley. The elevation of the area ranges from approximately 200 feet at the intersection of Highway 101 and Santa Maria River to approximately 3200 feet at Tepusquet Peak. The grapes that are grown within the area are on the valley floor at an approximate elevation of 300 feet and on the slopes and rolling hillsides up to an elevation of 800 feet. The soils within the area are all very well drained and fertile. They range in texture from a sandy loam to clay loam and are free from adverse salts.

The physical features of the land in the valley floor and adjacent canyons and sloping terraces offer similar weather characteristics. Testimony at the hearing revealed that the prevailing winds from the ocean causes the valley to have a generally cooler summer, warmer fall, and cooler winter than surrounding areas. ATF has determined that due to the physical features of Santa Maria Valley, it is distinguishable from the surrounding areas.

Boundaries

Subsequent to receiving the petition, ATF requested clarification concerning the description of the proposed

boundaries which were based on creeks, canyons, and contour lines. Pursuant to this request, the petitioner amended the boundaries by using summits of peaks in lieu of contour lines, canyons, and creeks. It was brought out at the hearing that the amended northern boundary included a mountainous area exhibiting different climatic conditions than the area originally proposed. One person testified that the amended boundary added many acres which were not suitable for vineyards because of excessive slopes, poor soil, lack of water, and inaccessibility. The petitioner gave testimony that the northern boundary could be revised to run along Highway 166, thereby excluding the undesirable section. ATF has evaluated this testimony and has agreed to amend the northern boundary of the viticultural area to begin at the point where Highway 166 intersects the section line just southwest of Chimney Canyon.

The western boundary of the area is marked by another man-made feature, Highway U.S. 101. Testimony revealed that this highway was chosen as the western boundary, even though it bisected the valley in a north-south direction, because the perennial fogline is just west of the highway. The area west of Highway 101 is cooler than the remaining area of the valley; the fog stays longer, and in winter the area does not receive the cooling weather which provides winter dormancy for the vines. Also, no grapes are grown west of the highway and witnesses stated they believed that grapes would never be grown in that particular area due to economic considerations.

ATF believes that viticultural area boundaries based solely on man-made features are inappropriate. However, where man-made features, such as highways, coincide with the distinguishing geographical features, or provide a demarcation line between grape-growing areas and areas unsuitable for grape-growing, it is appropriate to use such features in describing boundaries. ATF believes that in the case of Santa Maria Valley, the boundaries in the regulations delineate an area with distinguishing climatic and topographic features.

Miscellaneous

ATF does not wish to give the impression by approving the Santa Maria Valley viticultural area that it is approving or endorsing the quality of the wine from this area. ATF is approving this area as being viticulturally distinct from surrounding areas, not better than other areas. By approving the area, wine producers are allowed to claim a

distinction on labels and advertisements as to origin of the grapes. ATF will not allow statements or claims that the wines are better because they originated from an approved viticultural area. Any commercial advantage gained can only come from consumer acceptance of Santa Maria Valley wines.

Disclosure

A copy of the hearing proceedings is available for inspection during normal business hours at the following two locations: ATF Reading Room, Room 4407, Office of Public Affairs and Disclosure, 12th & Pennsylvania Avenue, NW, Washington, DC; and at the Office of the Regional Regulatory Administrator, Bureau of Alcohol, Tobacco and Firearms, 34th Floor, 525 Market Street, San Francisco, California.

Drafting Information

The principal author of this document is Roger L. Bowling, Research and Regulations Branch, Bureau of Alcohol, Tobacco and Firearms. However, personnel in other offices of the Bureau participated in the preparation of the document, both in substance and style.

Authority and Issuance

Accordingly, under the authority contained in Section 5 of the Federal Alcohol Administration Act (49 Stat. 981, as amended; 27 U.S.C. 205), 27 CFR Part 9 is amended as follows:

PART 9—AMERICAN VITICULTURAL AREAS

Paragraph 1. The table of sections 27 CFR Part 9, Subpart C, is amended to include the title of § 9.28. As amended, the table of sections reads as follows:

Subpart C—Approved American Viticultural Areas:

Sec.	*	*	*	*	*
9.28					Santa Maria Valley.

Par. 2. Subpart C is amended by adding § 9.28 to read as follows:

Subpart C—Approved American Viticultural Areas

*	*	*	*	*
§ 9.28				Santa Maria Valley.

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

(b) *Approved Maps.* The approved maps for the Santa Maria Valley are two U.S.G.S. maps entitled:

- (1) "Santa Maria", N.I. 10-8, 9, series V 502, scale 1: 125,000; and
- (2) "San Luis Obispo", N.I. 10-3, series V 502, scale 1: 125,000.

(c) *Boundaries.* The boundaries of the Santa Maria Valley viticultural area are located in portions of Santa Barbara and San Luis Obispo Counties, California, and are as follows:

(1) Beginning at a point east of Orcutt where Highway U.S. 101 and the unnamed road (known locally as Clark Road) intersects; Thence northerly along U.S. 101 to a point where it intersects with Highway 166;

(2) Thence along Highway 166 in a general easterly direction to a point where Highway 166 intersects with the section line at the southwest section of Chimney Canyon;

(3) Thence in a straight, southerly, line to the summit of Los Coches Mountain (3016 feet);

(4) Thence in a straight, southeasterly, line to the summit of Bone Mountain (2822 feet);

(5) Thence in a straight, south-southwesterly, line to the intersection of two unnamed roads (known locally as Alisos Canyon Road and Foxen Canyon Road) in Foxen Canyon at the elevation marker of 1116 feet;

(6) Thence along the unnamed road (known locally as Foxen Canyon Road) in a northwesterly direction to the community of Sisquoc; and

(7) Thence in a westerly direction along the unnamed road (known locally as Clark Road) to the point of beginning.

Signed: June 20, 1981.

A. G. Dickerson,
Director.

Approved: July 6, 1981.

John P. Simpson,
Acting Assistant Secretary (Enforcement and Operations).

[FR Doc. 81-22767 Filed 6-4-81; 6:45 am]
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27 CFR Parts 240 and 252

[T.D. ATF-88]

Transfer of Wine, Without Payment of Tax, to Customs Bonded Warehouses for Embassy Removals and Other Purposes

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF).

ACTION: Temporary rule (Treasury decision).

SUMMARY: This temporary rule amends ATF regulations to implement a portion of Public Law 96-601 (Tax Administrative Provisions Revisions). This new law, signed by President Carter on December 24, 1980, will facilitate the tax free purchase of domestic wine for use by foreign