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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2016–0002; Notice No. 157]

RIN: 1513–AC23

Proposed Establishment of the Willcox Viticultural Area

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

ACTION: Notice of proposed rulemaking.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes to establish the approximately 526,000-acre “Willcox” viticultural area in portions of Cochise and Graham Counties in southeastern Arizona. The proposed viticultural area does not lie within, nor does it contain, any other established 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. TTB invites comments on this proposed addition to its regulations.

DATES: Comments must be received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Please send your comments on this proposed rule to one of the following addresses (please note that TTB has a new address for comments submitted by U.S. mail):

- Internet: <http://www.regulations.gov> (via the online comment form for this proposed rule as posted within Docket No. TTB–2016–0002 at “Regulations.gov,” the Federal e-rulemaking portal);

- U.S. Mail: Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW, Box 12, Washington, DC 20005; or

- Hand delivery/courier in lieu of mail: Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW, Suite 400, Washington, DC 20005.

See the **Public Participation** section of this notice for specific instructions and requirements for submitting comments, and for information on how to request a public hearing or view or obtain copies of the petition and supporting materials.

FOR FURTHER INFORMATION CONTACT: Karen A. Thornton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW, Box 12, Washington, DC 20005; phone 202–453–1039, ext. 175.

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 (Revised), "Alcohol and Tobacco Tax and Trade Bureau," 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. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes the standards for petitions for the establishment or modification of AVAs. Petitions to establish an AVA must include the following:

- Evidence that the area within the proposed AVA boundary is nationally or locally known by the AVA name specified in the petition;
- An explanation of the basis for defining the boundary of the proposed AVA;
- A narrative description of the features of the proposed AVA affecting viticulture, such as climate, geology, soils, physical features, and elevation, that make the proposed AVA distinctive and distinguish it from adjacent areas outside the proposed AVA boundary;

- The appropriate United States Geological Survey (USGS) map(s) showing the location of the proposed AVA, with the boundary of the proposed AVA clearly drawn thereon; and
- A detailed narrative description of the proposed AVA boundary based on USGS map markings.

Willcox Petition

TTB received a petition from Paul S. Hagar, the special projects manager of Dragoon Mountain Vineyard, on behalf of Dragoon Mountain Vineyard and other vineyard and winery owners in Willcox, Arizona, proposing the establishment of the “Willcox” AVA in southeastern Arizona. The proposed AVA contains approximately 526,000 acres and has 21 commercial vineyards, covering approximately 454 acres, distributed across the proposed AVA. According to the petition, an additional 650 acres of vineyards are planned within the proposed AVA in the next few years. The proposed AVA also has 18 bonded wineries. According to the petition, the distinguishing features of the proposed Willcox AVA include its geology, topography, soils, and climate. Unless otherwise noted, all information and data pertaining to the proposed AVA contained in this proposed rule come from the petition for the proposed Willcox AVA and its supporting exhibits.

Name Evidence

The proposed Willcox AVA derives its name from the city of Willcox, which is located within the proposed AVA. Within the proposed AVA is also a large natural feature known as the Willcox Playa, the dry bed of an ancient lake. The

phone directory for Cochise County, where the majority of the proposed AVA is located, lists 26 businesses and organizations within the proposed AVA that use the name "Willcox," including Willcox Rock and Sand Inc., Willcox Travel Center, Willcox Car Wash, Willcox Meat Packing House, and Willcox Real Estate Company. Additionally, the region is served by the Willcox Chamber of Commerce, the Willcox Rural Fire Department, and the Willcox Unified School District. Finally, a business consortium created by wine industry members in the region to promote local wines is known by the name "Willcox Wine Country."

Boundary Evidence

The proposed Willcox AVA is described in the petition as a large, high-altitude valley resembling a shallow basin. The valley of the proposed AVA is separated from several neighboring valleys by a series of high mountain ranges to the north, east, and west. The northern and northeastern portions of the proposed AVA boundary follow the base of the Pinalenos Mountains, which separate the proposed AVA from the Gila Valley. The eastern portion of the boundary follows the foothills of the Chiricahua and Dos Cabezas Mountains, which separate the proposed AVA from the San Simon Valley. The southern portion of the boundary approximates the slight ridge that forms the southern edge of the Willcox basin and separates the proposed AVA from the Sulphur Springs Valley and its drainage system. The western and northwestern portions of the boundary follow the base of the Dagoon, Little Dagoon, and Winchester Mountains, which separate the proposed AVA from the Aravaipa and San Pedro Valleys.

Distinguishing Features

The distinguishing features of the proposed Willcox AVA include its geology, topography, soils, and climate.

Geology

The proposed Willcox AVA is in the Arizona geological province known as the “basin-and-range” province, which is characterized by high mountain ranges that are separated by valleys. The features of the basin-and-range province were formed over millions of years by periods of massive volcanic explosions and the pushing, folding, and stretching of the Earth’s crust. The underlying geology of the basin in which the proposed AVA is located is primarily composed of alluvial (water-borne) and eolian (wind-borne) deposits. By contrast, the underlying geology of the surrounding mountain ranges is composed mostly of igneous rocks derived from volcanic materials, such as rhyolite, granite, and tuff.

The most recent period of geologic activity in the region of the proposed AVA occurred between 15 and 8 million years ago, during a period of modest volcanic activity and intense stretching of the crust. The stretching of the crust caused large blocks of the mountains to drop thousands of feet in a nearly vertical manner. This vertical block faulting resulted in the formation of the Chiricahua, Dos Cabezas, Pinalenos, Dragoon, Little Dragoon, and Winchester Mountains that surround the proposed Willcox AVA and contrast with the flat, shallow basin of the proposed AVA.

Early in this last period of major geologic activity, existing drainage systems such as creeks and rivers were disrupted throughout southeastern

Arizona, and many valleys became closed basins. A closed basin is a valley in which no water flows in or out, and any lakes or underground aquifers within the closed basin are replenished only through rainfall. Over time, many of the closed basins near the proposed AVA became filled with enough erosional deposits from the surrounding mountains to allow streams to flow once more into and through the basins. These basins, where streams now flow, include the Gila Valley to the north, the San Simon Valley to the east, the San Pedro Valley to the west, the Aravaipa Valley to the northwest, and the Sulphur Springs Valley to the south. The Willcox basin, however, was permanently closed.

The closed nature of the Willcox basin allowed it to retain large quantities of rainwater during a cool, wet period between 2 million and 15,000 years ago. Thus, an ancient lake formed, known as Lake Cochise. Later, as the climate became warmer and drier, the lake began to evaporate, and the clay sediments and alkali salts in the water settled in the shallower southern end of the lake. Today, the remains of the southern end of Lake Cochise form the Willcox Playa, a large, dry, alkali flat in the west-central portion of the proposed Willcox AVA.

The geologic forces that shaped the proposed Willcox AVA have an effect on viticulture. Because the basin system is closed, irrigation water comes solely from wells and the small amounts of annual rainfall that the region receives. The petition also notes that water is not brought into the proposed AVA via canals, aqueducts, or other manmade methods. As a result, vineyard owners within the proposed AVA must carefully manage their water usage through water-conserving methods such as drip irrigation.

Topography

As previously noted, the proposed Willcox AVA sits within a large, shallow basin. Elevations within the proposed AVA range from 4,135 feet in the Willcox Playa to 4,700 feet at the edge of the foothills of the Chiricahua Mountains along the eastern edge of the proposed AVA. Because the proposed AVA is within a closed basin system, the basin's floor has not been cut or eroded by flowing bodies of water such as creeks, streams, or rivers. As a result, the terrain within the proposed AVA is relatively uniform and very flat, with slope angles ranging from 0 to 1.5 percent.

The topography of the proposed Willcox AVA affects viticulture. The small range of elevations and the flat terrain allow for relative uniformity of vineyard sites and growing conditions throughout the proposed AVA. The shallow slopes and the lack of creeks or streams within the proposed AVA reduce the risk of erosion. The flat basin floor allows for abundant sunlight to reach the vines, which stimulates vine growth and fruit maturation. Due to the intense sunlight, vineyard owners within the proposed AVA must manage the leaf canopies carefully so that the fruit does not become sunburnt, while preventing the canopies from becoming so dense and shady that the fruit does not reach optimum ripeness. Finally, because the proposed AVA is lower and flatter than the neighboring mountain ranges, cool nighttime air flowing down from the mountains settles in the proposed AVA. During the early spring, the cooler air can reach sub-freezing temperatures, which can damage new growth or buds on the vines. To protect their vines, vineyard owners often install tall fans to mix

warmer ambient air with the cooler descending air streams and to prevent the cold air from pooling.

Several mountain ranges surround the proposed AVA, including the Pinaleno Mountains to the north and northeast, the Dos Cabezas and Chiricahua Mountains to the east, and the Dragoon, Little Dragoon, and Winchester Mountains to the west. The elevations within these ranges are higher than those found within the proposed Willcox AVA. Large valleys with elevations lower than those found in the proposed AVA extend beyond each of these mountain ranges. The Gila Valley lies to the north, the San Simon Valley lies to the east, the San Pedro Valley lies to the west, and the Aravaipa Valley lies to the northwest. All of these valleys, along with the Sulphur Springs Valley south of the proposed AVA boundary, also are open basin systems. Because these valleys are open basin systems, their valley floors have been eroded by running water. The continual erosion results in a steady descent in elevation along the long axis of each of the valleys, which contrasts with the generally level valley floor of the closed basin system that comprises the proposed AVA.

Soils

Although all of the valleys in southeastern Arizona contain soils derived from the erosion of the surrounding mountains, the petition notes that each mountain block has its own specific geologic details. As a result, each valley below will have its own unique soil profile. The soils within the proposed Willcox AVA are predominately loams comprised of sand, silt, and clay in relatively even proportions. The petition included a list of the 30 soil series that, together,

comprise 80 percent of the soils of the proposed Willcox AVA. Of these 30 soil series, 20 are specifically loams. The Tubac, Sonoita, Forrest, and Frye soils are the most common soils on which viticulture occurs within the proposed AVA and are all classified as loamy soils. These soils are described as slightly acidic in the first 9 to 12 inches of the soil profile, with a gradually increasing alkalinity below that to a depth of 5 feet.

According to the petition, loams generally contain high levels of nutrients. For this reason, loams are not typically preferred for vineyards, because high levels of nutrients can cause overly vigorous vine and leaf growth. However, the petition notes that the stress placed on the vines by the hot, dry climate of the proposed AVA keeps vine and leaf growth in check, so there is little chance the vines will grow too vigorously.

Loamy soils also retain adequate amounts of water to hydrate vineyards while allowing excess water to percolate quickly through the loamy soils and into the aquifer. Because vineyard owners within the proposed AVA rely primarily on the aquifer for irrigation, soils that both retain water and allow for quick recharging of the aquifer are beneficial.

Only 11 of the 30 most common soils found in the proposed Willcox AVA comprise at least one tenth of one percent of the total soils found in at least one of the surrounding regions. Together, these 11 soils represent approximately 30 percent of all the soils within the proposed Willcox AVA. The following table shows the percentage of soil each of these 11 soils comprises in the proposed

AVA and the surrounding areas. All 30 of the soils are included in Exhibits 30 and 31 to the petition, which are posted as part of Docket TTB–2016–0002.

| Table 1: Soils Found in Both the Proposed AVA and the Surrounding Regions | | | | | | |
|--|---------------------------------------|--|---|---|--|--|
| Soils | Percentage of Total Soils | | | | | |
| | Willcox, AZ (Proposed AVA) | Safford, AZ (North of proposed AVA) | San Simon, AZ (East of proposed AVA) | McNeal, AZ (South of proposed AVA) | Chiricahua Mountains (SE of proposed AVA) | Benson, AZ (SW of proposed AVA) |
| Tubac soils, including Tubac sandy clay loam and Tubac sandy loam | 10 | 0 | 4.5 | 0 | 13.1 | 0 |
| Karro loam | 3.3 | 0 | 0 | 0.5 | 0 | 0 |
| Grabe loam | 3.2 | 3.4 | 0 | 0 | 0 | 0 |
| Pima–Grabe association | 3.1 | 0 | 0.3 | 0 | 15.3 | 0 |
| McAllister loam | 2.6 | 0 | 0 | 5 | 0 | 0 |
| Comoro sandy loam | 2.1 | 0.3 | 0 | 1.3 | 0 | 0 |
| Guest silty clay | 1.5 | 0 | 0 | 0.3 | 0 | 0 |
| Stronghol–McAllister–Elgin complex | 1.5 | 0 | 0 | 0 | 0 | 1.8 |
| Sonoita gravelly sandy loam | 1.2 | 2.2 | 2.2 | 0 | 0 | 0 |
| White House–Forrest association | 1.1 | 0 | 0 | 0 | 11 | 0 |
| Courtland–Sasabe–Diaspar complex | 1 | 0 | 0 | 7.6 | 1.1 | 0.9 |
| TOTAL | 30.6 | 5.9 | 7 | 14.7 | 40.5 | 2.7 |

The table shows that the regions to the north, south, east, and southwest of the proposed AVA all contain smaller percentages of these 11 soils. The exception is the region to the southeast of the proposed AVA, which contains only 4 of the 30 primary soils of the proposed AVA but has a larger percentage of those 4 soils. Frye soils, which are among the most prevalent soil series of the

proposed AVA, are not included in this table because they comprise less than one tenth of one percent of the total soils in any of the surrounding regions.

Climate

Southeastern Arizona, including the region of the proposed Willcox AVA, is generally considered to have an arid climate. Annual precipitation amounts in the region are very low. According to the petition, slight amounts of rain may fall at the end of winter, when the vines are emerging from dormancy. However, the most significant rainfall occurs during the monsoon season, in July and August. During the monsoon season, the large-scale atmospheric circulation shifts to initiate a flow of humid air from both the Gulf of Mexico and the Gulf of California. This flow of humid air brings more cloud cover and scattered rainfall in the form of thunderstorms. The following table summarizes the average growing season rainfall amounts within the proposed AVA and the surrounding areas.

| Month | Willcox, AZ (within proposed AVA) | Safford (North of proposed AVA) | Chiricahua Mountains (SE of proposed AVA) | San Simon Valley (East of proposed AVA) | Douglas (South of proposed AVA) | Benson (SW of proposed AVA) | Cascabel (West of proposed AVA) |
|--|--|--|--|--|--|--|--|
| March | 0.37 | 0.32 | 0.98 | 0.29 | 0.24 | 0.33 | 0.40 |
| April | 0.11 | 0.14 | 0.25 | 0.08 | 0.06 | 0.10 | 0.13 |
| May | 0.42 | 0.14 | 0.36 | 0.08 | 0.15 | 0.19 | 0.24 |
| June | 0.41 | 0.16 | 0.81 | 0.34 | 0.23 | 0.22 | 0.21 |
| July | 3.61 | 1.80 | 3.22 | 2.46 | 2.99 | 3.21 | 3.23 |
| August | 2.32 | 2.01 | 3.21 | 1.77 | 3.11 | 2.87 | 2.16 |
| Sept. | 0.84 | 0.92 | 1.79 | 0.74 | 1.11 | 2.24 | 1.15 |
| October | 0.34 | 0.39 | 0.68 | 0.34 | 0.28 | 0.16 | 0.22 |
| Average growing season totals | 8.42 | 5.88 | 11.3 | 6.1 | 8.17 | 9.32 | 7.74 |

¹ Source: National Climate Data Center records from 2005 through 2012. Chiricahua station data only available from 2009 through 2012.

Annual growing season precipitation amounts within the proposed Willcox AVA are higher than those of all the stations in the surrounding areas except the Chiricahua Mountains and Benson. The petition states that rainfall amounts are higher in areas close to the mountains and foothills, such as the locations to the southeast and southwest of the proposed AVA, because the moisture-laden air cools as it rises over the hills and eventually reaches the point where it releases its moisture in the form of rain. As the storms move beyond the mountains and foothills, they begin to weaken and dissipate.

Throughout the region of the proposed AVA, temperatures are affected by elevation. The warmest temperatures are typically in areas with low elevations. The warmest daytime high temperatures typically occur in June and are accompanied by strong afternoon winds. The following table shows the average annual growing season highs for a weather station located within the proposed AVA and the closest weather stations in the surrounding areas. Because elevation plays a role in the climate in the region, the average elevation of each location is also included.

| Month | Willcox, AZ (within proposed AVA) | Safford (North of proposed AVA) | Chiricahua Mountains (SE of proposed AVA) | San Simon Valley (East of proposed AVA) | Douglas (South of proposed AVA) | Benson (SW of proposed AVA) | Cascabel (West of proposed AVA) |
|------------------|--|--|--|--|--|------------------------------------|--|
| Elevation | 4,170 ft | 2,953 ft | 5,400 ft | 3,609 ft | 4,104 ft | 3,691 ft | 3,196 ft |
| March | 71.5 | 72.5 | 65.9 | 72.4 | 73.1 | 73.4 | 74.3 |
| April | 79.2 | 81.6 | 73.4 | 81.5 | 80.5 | 81.0 | 82.3 |

² Source: National Climate Data Center records from 2005 through 2012. According to the petition, some data may be missing in the record, but no average has less than 7 years of data.

| | | | | | | | |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| May | 86.7 | 90.2 | 81.7 | 89.8 | 88.6 | 89.4 | 90.8 |
| June | 96.5 | 98.7 | 90.8 | 98.4 | 97.4 | 99.2 | 100.9 |
| July | 96.9 | 97.8 | 89.2 | 97.5 | 94.8 | 97.6 | 99.2 |
| August | 94.7 | 95.2 | 86.9 | 95.2 | 92.1 | 93.6 | 95.7 |
| Sept. | 91.0 | 91.6 | 84.0 | 91.1 | 89.7 | 90.3 | 92.0 |
| October | 82.4 | 83.6 | 76.4 | 82.1 | 82.7 | 83.6 | 83.0 |
| Average | 87.3 | 88.9 | 81.0 | 88.5 | 87.4 | 88.5 | 89.8 |

The data shows that annual growing season high temperatures within the proposed Willcox AVA are lower than those in four of the six surrounding regions. The four regions are all at significantly lower elevations than the proposed AVA. Temperatures in Douglas, AZ, which is at a similar elevation to the proposed AVA, are nearly identical to those of the proposed AVA. Of the six surrounding weather stations, the station within the Chiricahua Mountains, adjacent to the southeastern boundary of the proposed AVA, is at the highest elevation and, as a result, has the lowest average high temperature.

The data in the table shows that during the months of May and June, temperatures within the proposed Willcox AVA are noticeably lower than in all of the surrounding regions, with the exception of the higher elevations of the Chiricahua Mountains. The petition notes that May and June, just before the start of the monsoon season, are the most stressful months for vines. The air is very dry, and most of the water stored in the soil from late winter rains has been depleted. Temperatures begin to rise noticeably during these two months, placing heat stress on the vines and increasing the amount of water that evaporates from their leaves. Therefore, in such a warm region as southeastern Arizona, average high temperatures that are only a few degrees cooler than the

surrounding area offer respite to the vines, particularly during the hot, dry pre-monsoon months.

The climate of the proposed Willcox AVA affects viticulture. The hot temperatures, combined with extremely dry air for much of the growing season, put heavy stress on the vines. In order to preserve water, the vines close the stoma on their leaves during the hottest parts of the day, especially when temperatures rise above 90 degrees Fahrenheit. When the stoma are closed, however, photosynthesis slows considerably, preventing the plant from producing food efficiently. As a result, fruit development and maturation is delayed. The lack of cloud cover for most of the growing season puts the grapes at risk for sunburn. So vineyard owners within the proposed AVA manage canopy levels to provide shelter for the fruit. Although the rainfall amounts during the monsoonal season are not heavy enough to eliminate the need for irrigation, the rains do provide some relief for the vines and also replenish the aquifer, which is the only source of water within the closed basin system that forms the proposed AVA. Additionally, the monsoon season brings relief to the vines in the form of higher humidity levels, which allow the stoma to remain open longer and produce food for the vine during the peak period of fruit development. Finally, the increased cloud cover during the monsoon season lowers temperatures slightly and provides the maturing grapes some protection from sunburn.

Summary of Distinguishing Features

In summary, the evidence provided in the petition indicates that the viticulturally significant geographic features of the proposed Willcox AVA

distinguish it from the surrounding regions in each direction. With respect to topography, the proposed AVA is located within a flat valley that is part of a closed basin system. By contrast, the regions adjacent to the northern, eastern, and western boundaries of the proposed AVA are all marked by mountainous terrain with higher, steeper elevations. Beyond each of these mountain ranges are large valleys with lower elevations than the proposed AVA. These valleys are also all open basin systems, and the valley floors have all been eroded to varying degrees by flowing water. South of the proposed AVA is the lower-elevation Sulphur Springs Valley, which is also an open basin system.

The soils of the surrounding regions are primarily loams, as are the soils of the proposed Willcox AVA. However, the soil series that comprise the majority of the soils within the proposed AVA are generally present only in very small amounts outside the proposed AVA or, in some cases, are not present at all. The exception is the region to the southeast of the proposed AVA, where 4 of the 11 primary soil series of the proposed AVA are found in higher amounts.

The climate of the proposed Willcox AVA is hot and arid like much of the surrounding regions. However, growing season high temperatures within the proposed AVA are lower than those of most of the surrounding region, notably during the months of May and June. The exception is within the higher elevations of the Chiricahua Mountains, where growing season temperatures are generally lower than within the proposed AVA. Annual rainfall amounts within the proposed AVA are higher than those of the surrounding regions, with the

exception of the foothill regions to the southeast and southwest of the proposed AVA.

TTB Determination

TTB concludes that the petition to establish the approximately 526,000-acre Willcox AVA merits consideration and public comment, as invited in this proposed rule.

Boundary Description

See the narrative description of the boundary of the petitioned-for AVA in the proposed regulatory text published at the end of this proposed rule.

Maps

The petitioner provided the required maps, and they are listed below in the proposed 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, 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.

If TTB establishes this proposed AVA, its name, “Willcox,” will be recognized as a name of viticultural significance under § 4.39(i)(3) of the TTB regulations (27 CFR 4.39(i)(3)). The text of the proposed regulation clarifies this point. Consequently, if this proposed rule is adopted as a final rule, wine bottlers using the name “Willcox” in a brand name, including a trademark, or in another label reference as to the origin of the wine, would have to ensure that the product is eligible to use the AVA name as an appellation of origin.

Public Participation

Comments Invited

TTB invites comments from interested members of the public on whether it should establish the proposed AVA. TTB is also interested in receiving comments on the sufficiency and accuracy of the name, boundary, soils, climate, and other required information submitted in support of the petition. Please provide any available specific information in support of your comments.

Because of the potential impact of the establishment of the proposed Willcox AVA on wine labels that include the term “Willcox,” as discussed above under **Impact on Current Wine Labels**, TTB is particularly interested in comments regarding whether there will be a conflict between the proposed area name and currently used brand names. If a commenter believes that a conflict will arise, the comment should describe the nature of that conflict, including any

anticipated negative economic impact that approval of the proposed AVA will have on an existing viticultural enterprise. TTB is also interested in receiving suggestions for ways to avoid conflicts, for example, by adopting a modified or different name for the AVA.

Submitting Comments

You may submit comments on this proposed rule by using one of the following three methods (please note that TTB has a new address for comments submitted by U.S. Mail):

- Federal e-Rulemaking Portal: You may send comments via the online comment form posted with this proposed rule within Docket No. TTB–2016–0002 on “Regulations.gov,” the Federal e-rulemaking portal, at <http://www.regulations.gov>. A direct link to that docket is available under Notice No. 157 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 the “Help” tab.
- U.S. Mail: You may send comments via postal mail to the Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW, Box 12, Washington, DC 20005.
- Hand Delivery/Courier: You may hand-carry your comments or have them hand-carried to the Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW, Suite 400, Washington, DC 20005.

Please submit your comments by the closing date shown above in this proposed rule. Your comments must reference Notice No. 157 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. TTB does not acknowledge receipt of comments, and TTB considers all comments as originals.

In your comment, please clearly indicate if you are commenting on your own behalf or on behalf of an association, business, or other entity. If you are commenting on behalf of an 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 or hand delivery/courier, 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

TTB will post, and you may view, copies of this proposed rule, selected supporting materials, and any online or mailed comments received about this

proposal within Docket No. TTB–2016–0002 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. 157. You may also reach the relevant docket through the Regulations.gov search page at <http://www.regulations.gov>. For information on how to use Regulations.gov, click on the site’s “Help” tab.

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. TTB may omit voluminous attachments or material that the Bureau considers unsuitable for posting.

You may also view copies of this proposed rule, all related petitions, maps and other supporting materials, and any electronic or mailed comments that TTB receives about this proposal by appointment at the TTB Information Resource Center, 1310 G Street, NW, Washington, DC 20005. You may also obtain copies at 20 cents per 8.5- x 11-inch page. Please note that TTB is unable to provide copies of USGS maps or other similarly-sized documents that may be included as part of the AVA petition. Contact TTB’s information specialist at the above address or by telephone at 202–453–2270 to schedule an appointment or to request copies of comments or other materials.

Regulatory Flexibility Act

TTB certifies 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 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 proposed 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

Karen A. Thornton of the Regulations and Rulings Division drafted this proposed rule.

List of Subjects in 27 CFR Part 9

Wine.

Proposed Regulatory Amendment

For the reasons discussed in the preamble, TTB proposes to amend 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. Subpart C is amended by adding § 9._____ to read as follows:

§ 9._____ Willcox.

(a) Name. The name of the viticultural area described in this section is “Willcox”. For purposes of part 4 of this chapter, “Willcox” is a term of viticultural significance.

(b) Approved maps. The 21 United States Geological Survey (USGS) 1:24,000 scale topographic maps used to determine the boundary of the Willcox viticultural area are titled:

- (1) Fort Grant, AZ, 1996;
- (2) West of Greasewood Mountain, AZ, 1996;
- (3) Greasewood Mountain, AZ, 1996;
- (4) Willcox North, AZ, 1996;
- (5) Railroad Pass, Ariz., 1979;
- (6) Simmons Peak, AZ, 1996;
- (7) Dos Cabezas, AZ, 1996;
- (8) Pat Hills North, Ariz., 1974;
- (9) Pat Hills South, Ariz., 1986 provisional edition;
- (10) Sulphur Hills, AZ, 1996;
- (11) Pearce, AZ, 1996;
- (12) Turquoise Mountain, AZ, 1996;
- (13) Black Diamond Peak, AZ, 1996;
- (14) Cochise Stronghold, AZ, 1996;
- (15) Cochise, AZ, 1996;
- (16) Red Bird Hills, AZ, 1996;
- (17) Steele Hills, AZ, 1996;

- (18) Square Mountain, AZ, 1996;
- (19) Muskhog Mountain, AZ, 1996;
- (20) Reiley Peak, AZ, 1996; and
- (21) Sierra Bonita Ranch, Ariz., 1972.

(c) Boundary. The Willcox viticultural area is located in Cochise and Graham Counties in southeastern Arizona. The boundary of the Willcox viticultural area is as described below:

(1) The beginning point is on the Fort Grant map at the intersection of State Highway 266 and an unnamed light-duty road known locally as Curtis Parkway, in Fort Grant, section 35, T9S/R23E. From the beginning point, proceed south-southeast in a straight line approximately 20.4 miles, crossing over the West of Greasewood Mountain and the Greasewood Mountain map and onto the Willcox North map, to the intersection of three unnamed light-duty roads known locally as Porters Ranch Road, East Saguaro Road, and North Circle I Road, near benchmark (BM) 4,243 on the Willcox North map, section 36, T12S/R24E; then

(2) Proceed east in a straight line approximately 5 miles to Interstate Highway 10 near the community of Raso, section 1, T13S/R25E; then

(3) Proceed south in a straight line approximately 0.8 mile to the 4,400-foot elevation contour, section 1, T13S/R25E; then

(4) Proceed southwesterly along the 4,400-foot elevation contour around the west end of the Dos Cabezas Mountains and continue southeasterly along the 4,400-foot elevation contour for a total of approximately 13.3 miles, crossing

over the Railroad Pass map and onto the Simmons Peak map, to State Highway 186 on the Simmons Peak map, section 28, T14S/R26E; then

(5) Proceed south-southeast in a straight line approximately 15.8 miles, crossing over the Dos Cabezas map and onto the Pat Hills North map, to the intersection of the 4,700-foot elevation contour and an unnamed light-duty road known locally as East Creasey Ranch Road on the Pat Hills North map near BM 4,695, section 21, T16S/R28E; then

(6) Proceed southerly along the 4,700-foot elevation contour approximately 10.6 miles, crossing onto the Pat Hills South map, to an unnamed light-duty road known locally as East Uncle Curtis Lane, section 7, T18S/R28 E; then

(7) Proceed west along East Uncle Curtis Lane approximately 0.5 mile to an unnamed light-duty road known locally as South Single Tree Lane near the marked 4,664-foot elevation point, section 7, T18S/R28E; then

(8) Proceed south along South Single Tree Lane approximately 0.5 mile to State Highway 181, section 7, T18S/R28E; then

(9) Proceed west along State Highway 181 approximately 9.9 miles, crossing onto the Sulphur Hills map, to State Highway 191, section 10, T18S/R26E; then

(10) Proceed north-northeasterly, then west, along State Highway 191 approximately 4.8 miles, crossing onto the Pearce map, to an unnamed light-duty road known locally as Kansas Settlement Road, near BM 4,327, section 36, T17S/R25E; then

(11) Proceed southwest in a straight line approximately 8.9 miles, crossing over the Turquoise Mountain map and onto the Black Diamond Peak map, to the southeastern-most corner of the boundary of the Coronado National Forest on the Black Diamond Peak map, section 35, T18S/R24 E; then

(12) Proceed north along the boundary of the Coronado National Forest approximately 2 miles to the marked 4,821-foot elevation point, section 26, T18S/R24E; then

(13) Proceed north-northwest in a straight line approximately 13 miles, crossing over the Cochise Stronghold map and onto the Cochise map, to the northeastern corner of the boundary of the Coronado National Forest at the marked 4,642 elevation point on the Cochise map, section 26, T16S/R23E; then

(14) Proceed north-northwest in a straight line approximately 1.2 miles to the intersection of the 4,450-foot elevation contour and an unnamed secondary highway known locally as West Dagoon Road, section 23, T16S/R23E; then

(15) Proceed north in a straight line approximately 1.3 miles to the 4,400-foot elevation contour, section 11, T16S/R23E; then

(16) Proceed generally northerly along the 4,400-foot elevation contour approximately 10 miles, crossing onto the Red Bird Hills map, to Interstate Highway 10, section 3, T15S/R23E; then

(17) Proceed north-northwest in a straight line approximately 5.8 miles, crossing onto the Steele Hills map, to the intersection of the 4,600-foot elevation contour and an unnamed light-duty road known locally as West Airport Road, section 7, T14S/R23E; then

(18) Proceed east-northeasterly, then easterly, then northerly, then easterly along West Airport Road approximately 7.2 miles, crossing back onto the Red Bird Hills map and then onto the Square Mountain map, to the 4,240-foot elevation contour east of BM 4,264, section 6, T14S/R24E; then

(19) Proceed north-northwest in a straight line approximately 20.5 miles, crossing over the Muskhog Mountain and Reiley Peak maps and onto the Sierra Bonita Ranch map, to the intersection of two unnamed light-duty roads known locally as West Ash Creek Road and South Wells Road, near BM 4,487 on the Sierra Bonita Ranch map, section 3, T11S/R22E; then

(20) Proceed generally northerly along South Wells Road to BM 4,502, then continuing northerly along the western fork of the road for a total of approximately 7.7 miles to an unnamed light-duty road known locally as Bonita Aravaipa Road, section 27, T9S/R22E; then

(21) Proceed east in a straight line approximately 8.2 miles, crossing onto the Fort Grant map, to the beginning point.

Signed: January 13, 2016.

John J. Manfreda,

Administrator.

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