



[Billing Code: 4810–31–P]

## **DEPARTMENT OF THE TREASURY**

### **Alcohol and Tobacco Tax and Trade Bureau**

#### **27 CFR Part 9**

**[Docket No. TTB–2019–0003; T.D. TTB–160; Ref: Notice No. 181]**

**RIN: 1513–AC52**

### **Establishment of the Tualatin Hills and Laurelwood District Viticultural Areas**

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

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

**SUMMARY:** The Alcohol and Tobacco Tax and Trade Bureau (TTB) establishes the approximately 144,000-acre “Tualatin Hills” viticultural area in portions of Multnomah and Washington Counties, Oregon, and the approximately 33,600-acre “Laurelwood District” viticultural area in portions of Washington and Yamhill Counties, Oregon. TTB is establishing both viticultural areas in the same document because a small portion of their boundaries is contiguous. The two viticultural areas lie entirely within the established Willamette Valley viticultural area. The Laurelwood District viticultural area is also entirely within the established Chehalem Mountains 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.

**DATES:** This final rule is effective [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**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 Order 120–01, dated December 10, 2013 (superseding Treasury Order 120–01, dated January 24, 2003), to the TTB Administrator to perform the functions and duties in the administration and enforcement of these laws.

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 to TTB 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 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;
- An explanation showing the proposed AVA is sufficiently distinct from an existing AVA so as to warrant separate recognition, if the proposed AVA is to be established within, or overlapping, an existing AVA; and
- A detailed narrative description of the proposed AVA boundary based on USGS map markings.

### **Tualatin Hills Petition**

TTB received a petition from Rudolf Marchesi, president of Montinore Estate, Alfredo Apolloni, owner and winemaker of Apolloni Vineyards, and Mike Kuenz, general manager of David Hill Vineyard and Winery, on behalf of themselves and other local grape growers and vintners, proposing the establishment of the “Tualatin Hills” AVA in portions of Multnomah and Washington Counties.

The proposed Tualatin Hills AVA is located in Oregon, lies entirely within the established Willamette Valley AVA (27 CFR 9.90), and covers approximately 144,000 acres. There are 33 commercially-producing vineyards covering a total of approximately 860.5 acres, as well as 21 wineries, within the proposed AVA. According to the petition, the distinguishing features of the proposed Tualatin Hills AVA are its soils, elevation, and climate.

The soils of the proposed AVA are described as primarily Laurelwood soils and similar associated types, such as Kinton and Cornelius soils, with almost no exposed volcanic or marine sedimentary soil types. The Laurelwood soils are derived from weathered basalt and loess and are fine, silty soils with no rocks. The soils generally have low levels of organic material and a high clay content, making them moderately fertile without promoting overly vigorous vine growth. The soils reach depths of up to 100 feet which, when combined with the high clay content, reduces the need for irrigation in most vineyards within the proposed AVA.

The petition describes Laurelwood soils as unique to the northwestern portion of the established Willamette Valley AVA, which includes the proposed Tualatin Hills AVA. According to the petition, the only place outside the proposed AVA where Laurelwood soils occur is on the northeast-facing slopes of the established Chehalem Mountains AVA, within the proposed Laurelwood District AVA. However, the petition notes that the Laurelwood soils within the Chehalem Mountains AVA are frequently mixed with volcanic, sedimentary, and alluvial soils. To the north of the proposed Tualatin Hills AVA, the soils formed primarily

from volcanic material from eruptions near the Oregon–Washington–Idaho border between 6 and 17 million years ago and contain very little loess and no Laurelwood series soils. West of the proposed AVA, the soils are primarily Coastal sediment soils originating from volcanic soils and marine uplifted soils that formed 50 million years ago. To the south of the proposed AVA within the established Chehalem Mountains AVA, the soils are also formed primarily from marine sediments, although the soils are sometimes striated with older decomposing basalt and volcanic materials. To the east of the proposed AVA, the soils are primarily formed from Columbia River basalt and sedimentary materials.

The proposed Tualatin Hills AVA is located in the upland hills of the Tualatin River watershed and encompasses elevations between 200 and 1,000 feet, which is generally considered the upper limit for growing commercial wine grapes in this region of Oregon. Furthermore, the petition states that elevations below 200 feet were excluded because the lower elevations are relatively flat and more susceptible to frost. The proposed AVA is surrounded to the north and west by the higher elevations of the Coastal Range, which typically exceed 1,000 feet. To the east of the proposed AVA is the broad, flat plain of the Tualatin River Valley, where elevations are generally below 200 feet. The petition notes that there is a small region between the northeast corner and the southeast corner of the proposed AVA that has similar elevations to the proposed AVA. However, this region was not included in the proposed AVA because it is within the urban development zone of metro Portland and is currently used for

commercial and residential buildings and public parks; there is no commercial viticulture in this area. To the south and southeast of the proposed AVA are the Chehalem Mountains, which includes elevations of over 1,000 feet and, according to the petition, are considered to be a separate, distinct landform from the uplands within the proposed Tualatin Hills AVA.

The climate of the proposed Tualatin Hills AVA is characterized by average annual rainfall amounts of 43.67 inches, which is lower than annual rainfall amounts in the regions to the west and north, and higher than amounts in the regions to the east and south. The moderate rainfall amounts discourage the growth of mold and mildew in vineyards within the AVA. Differences between daytime high temperatures and nighttime low temperatures, referred to as diurnal temperature variations, are greater in the proposed AVA than in all the surrounding regions except the region to the south. Greater diurnal variations slow the development of sugars and reduce acid loss in grapes, allowing grape varieties that require a long growing season to fully develop their flavor and aroma compounds.

### **Laurelwood District Petition**

TTB received a petition from Luisa Ponzi, president of Ponzi Vineyards, Maria Ponzi, winemaker of Ponzi Vineyards, and Kevin Johnson, winemaker of Dion Vineyards, on behalf of themselves and other local grape growers and vintners, proposing the establishment of the “Laurelwood” AVA. However, at the request of TTB, the petitioners agreed to add the word “District” to the proposed name, in order to avoid a potential impact on current label holders who are using

“Laurelwood” as a brand name or fanciful name on their wine labels. The proposed Laurelwood District AVA is located west of the city of Portland and lies entirely within the established Willamette Valley AVA and the established Chehalem Mountains AVA. The proposed Laurelwood District AVA covers approximately 33,600 acres and contains 25 wineries and approximately 70 commercially-producing vineyards that cover a total of approximately 975 acres.

According to the petition, the distinguishing feature of the proposed Laurelwood District AVA is the predominance of the Laurelwood soil series. Although Laurelwood soil exists outside the proposed Laurelwood District AVA, specifically within the proposed Tualatin Hills AVA to the northwest, the petition states that there are differences between the Laurelwood soil of the proposed Laurelwood District AVA and the Laurelwood soil of the proposed Tualatin Hills AVA. For instance, the Laurelwood soil of the proposed Laurelwood District AVA consists of loess combined with basalt that is older than the basalt found in the Laurelwood soil of the proposed Tualatin Hills AVA. However, the petition states that the primary distinction between the soils of the two proposed AVAs is the contiguity of Laurelwood soil within the proposed Laurelwood District AVA. Within the proposed Tualatin Hills AVA, large concentrations of Laurelwood soil are dispersed throughout, separated by regions without Laurelwood soils. By contrast, within the proposed Laurelwood District AVA, Laurelwood soil covers the entirety of the proposed AVA. Additionally, within the proposed Tualatin Hills AVA, Laurelwood soil is often mixed with related soil series, particularly Kinton

and Cornelius soils. Within the proposed Laurelwood District AVA, Kinton and Cornelius soils exist only in small, isolated pockets along the eastern edge.

### **Notice of Proposed Rulemaking and Comments Received**

TTB published Notice No. 181 in the **Federal Register** on June 19, 2019 (84 FR 28442), proposing to establish the Tualatin Hills and Laurelwood District AVAs. In the notice, TTB summarized the evidence from the two petitions regarding the name, boundary, and distinguishing features for the proposed AVAs. The notice also compared the distinguishing features of the proposed AVAs to the surrounding areas. For a detailed description of the evidence relating to the name, boundary, and distinguishing features of the proposed AVAs, and for a detailed comparison of the distinguishing features of the proposed AVAs to the surrounding areas, see Notice No. 181.

In Notice No. 181, TTB solicited comments on the accuracy of the name, boundary, and other required information submitted in support of the petition. In addition, given the proposed Tualatin Hills and Laurelwood District AVA's location within the Willamette Valley AVA, TTB solicited comments on whether the evidence submitted in the petition regarding the distinguishing features of the two proposed AVAs sufficiently differentiates them from the Willamette Valley AVA. TTB also requested comments on whether the geographic features of the proposed AVAs are so distinguishable from the Willamette Valley AVA that the proposed AVAs should no longer be part of the established AVA. TTB solicited comments on whether distinguishing features of the proposed Laurelwood District sufficiently differentiate it from the established Chehalem Mountains AVA,

and if the features of the proposed AVA are so distinctive that it should no longer be part of the established Chehalem Mountains AVA. Finally, TTB also solicited comments on whether the distinguishing features of the proposed Laurelwood District AVA sufficiently differentiate it from the proposed neighboring Tualatin Hills AVA, and on whether the distinguishing features of the proposed Tualatin Hills AVA sufficiently differentiate it from the proposed Laurelwood District AVA. The comment period closed August 19, 2019.

*Comments Received on the Proposed Tualatin Hills and Laurelwood District AVAs*

In response to Notice No. 181, TTB received a total of nine comments. Of the nine comments, only one comment (comment 3) specifically mentioned the proposed Tualatin Hills AVA. That comment, submitted by a local wine industry member with vineyards in both of the proposed AVAs, supported the establishment of the proposed Tualatin Hills AVA as a way to inform consumers of the region's characteristics, which he believes are unique from the surrounding regions, including the proposed Laurelwood District AVA. None of the comments opposed the establishment of the proposed Tualatin Hills AVA or its inclusion within the established Willamette Valley AVA.

All nine of the comments TTB received mentioned the proposed Laurelwood District AVA. Three of the comments, comments 1, 4, and 5, did not oppose establishing this AVA, but expressed opposition to the proposed Laurelwood District AVA name. The opposing comments generally state the belief that naming an AVA after a soil type would be misleading, as it would imply that the soil is found only within that AVA, when in fact there are vineyards

outside the proposed AVA that are planted entirely on Laurelwood soil. As a result, consumers would be confused by wines made outside the proposed Laurelwood District AVA that claim that the grapes were grown in Laurelwood soils. Comment 4 stated that allowing an AVA to be named after a soil type would “set a dangerous precedent” and could lead to the creation of other AVAs that treat the name of a soil type as if it were “solely proprietary.” Comment 4 was the only comment to suggest alternative names for the proposed AVA, including “North Slope,” “Laurel,” “Mountainside,” “Fern Hill,” “Spring Hill,” “Midway,” and “Mountain Home.” Comment 4 appeared to favor the name “North Slope,” noting that 91 percent of the wine wholesalers the commenter surveyed in his work as a director of wine sales for a local winery preferred that name to “Laurelwood District.” Comment 4 also claimed that the website of Ponzi Vineyards, one of the petitioners for the proposed Laurelwood District AVA, uses the phrase “North Slope” to refer to the vineyard’s location.

Six of the comments support the establishment of the Laurelwood District AVA as proposed. The supporting comments all came from self-identified local wine industry members. The comments generally support the proposed Laurelwood District AVA due to the prevalence of the Laurelwood soil, and believe that the establishment of the proposed AVA would provide consumers with more information about the origin of the grapes in the wine, rather than cause confusion. Comment 6 also stated the belief that there is ample evidence that the region of the proposed AVA is known as “Laurelwood,” but did not provide any additional examples.

### *TTB Response to Opposing Comments*

TTB believes that the commenters who oppose the proposed “Laurelwood District” AVA name may misunderstand the rationale for the proposed name and what limitations its establishment would place on the use of the Laurelwood soil name on a wine label or in advertising. Although the prominent soil series in both the proposed Tualatin Hills and Laurelwood District AVAs is called “Laurelwood,” the proposed Laurelwood District AVA does not derive its name from the soil but from the community of Laurelwood, which, according to the petition, was named after a school built in the area in 1904. The soil series was first formally identified by the USDA in 1974<sup>1</sup>, on Iowa Hill within the proposed AVA. Establishment of the proposed Laurelwood District AVA would not set a precedent of naming AVAs after a soil series because § 9.12(a)(1) of the TTB regulations requires a petitioner to provide evidence that the region is referred to by the proposed name. If the proposed name refers only to a soil series, the name would not meet the regulatory requirements. TTB has determined that the petition provided sufficient evidence to demonstrate that the name “Laurelwood” applies to the larger region surrounding the community of Laurelwood, including the region of the proposed AVA, and that the name does not apply solely to the soil series.

Furthermore, TTB notes that at least 20 established AVAs share their names with soils or soil series. For example, Comment 8, submitted in response to the proposed rulemaking, mentions The Rocks District of Milton-Freewater AVA (27 CFR 9.249), which shares its name with the Freewater soil series<sup>2</sup>, a

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<sup>1</sup> [https://soilseries.sc.egov.usda.gov/OSD\\_Docs/L/LAURELWOOD.html](https://soilseries.sc.egov.usda.gov/OSD_Docs/L/LAURELWOOD.html).

<sup>2</sup> [https://soilseries.sc.egov.usda.gov/OSD\\_Docs/F/FREEWATER.html](https://soilseries.sc.egov.usda.gov/OSD_Docs/F/FREEWATER.html).

soil series found within and outside of the AVA.<sup>3</sup> The Loess Hills District AVA (27 CFR 9.255) includes the word “loess,” which is the predominant type of soil found within the AVA but also exists elsewhere.<sup>4</sup> The Arroyo Seco AVA (27 CFR 9.59) shares its name with the Arroyo Seco soil series<sup>5</sup>, which is found within the AVA and elsewhere in Monterey County, California.<sup>6</sup> The establishment of these AVAs does not prohibit winemakers from mentioning the presence of the soil series in their vineyards, nor does it prohibit any other AVAs from containing these soils. Further, when established, no commenters expressed concern or opposition that these AVAs share names with a soil series found within and outside their boundaries.

Additionally, although the distinguishing feature of the proposed Laurelwood District AVA is the Laurelwood soil series, it is not merely the presence of this soil that defines the proposed AVA. The Laurelwood soil series does have a very narrow range, but it is found in some of the regions surrounding the proposed Laurelwood District AVA, including the proposed Tualatin Hills AVA. What primarily distinguishes the proposed Laurelwood District AVA from other regions that contain Laurelwood soil is the near-uniformity of the soil within the proposed boundaries. Soil maps included as Exhibit A–1 of the Tualatin Hills AVA petition and Figure 1 of the Laurelwood District AVA show that the soils of the proposed Laurelwood AVA consist almost entirely of Laurelwood series,

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<sup>3</sup> “Petition to establish The Rocks District of Milton-Freewater American Viticultural Area, Oregon,” Page 3, within Docket No. TTB–2014–0003 at <https://www.regulations.gov>.

<sup>4</sup> 80 FR 34857, 34858 – 34859, “Notice of Proposed Rulemaking – Proposed Establishment of the Loess Hills District Viticultural Area.”

<sup>5</sup> [https://soilseries.sc.egov.usda.gov/OSD\\_Docs/A/ARROYO\\_SECO.html](https://soilseries.sc.egov.usda.gov/OSD_Docs/A/ARROYO_SECO.html).

<sup>6</sup> See Figure 5.8–1 of the Environmental Impact Report of the Rancho San Juan Specific Plan and HYH Property Project, <https://www.co.monterey.ca.us/home/showdocument?id=36998>.

whereas the proposed Tualatin Hills AVA has large patches of Laurelwood soils separated by expanses of soils from other series, including Kinton and Cornelius soils.<sup>7</sup> Because Exhibit A–1 was too large to include in the online public docket, TTB has placed a similar image of the entire extent of the Laurelwood soil series obtained from the University of California–Davis Soil Series Extent Explorer<sup>8</sup> in the docket. Establishment of the AVA would not mean that TTB does not recognize the presence of Laurelwood soil in other regions or AVAs, only that TTB recognizes the ubiquity of the soil within the proposed AVA as the feature that distinguishes it from the surrounding regions.

TTB is proposing to make only the full name of the proposed Laurelwood District AVA a term of viticultural significance. Additionally, current label holders who use the word “Laurelwood” in a brand name would not be affected by the establishment of the Laurelwood District AVA.

Finally, although comment 4 provided some alternative names for the proposed Laurelwood District AVA, the comment only noted that the names were names of features or communities within the proposed AVA. The comment did not include evidence that the entire region of the proposed AVA is known by any of these alternative names, as required by § 9.12(a)(1). The link to the Ponzi Vineyards website included in the comment<sup>9</sup> does note that the family’s vineyards are “situated on the North slope (sic)” of the Chehalem Mountains AVA, but it is unclear if this statement uses the phrase “North slope” more to

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<sup>7</sup> See Exhibits A–1 and Figure 1 in the docket number TTB–2019–0003 at [www.regulations.gov](http://www.regulations.gov).

<sup>8</sup> <https://casoilresource.lawr.ucdavis.edu/see/#laurelwood>.

<sup>9</sup> <https://www.ponzivineyards.com/About-Us/Vineyards>.

describe the geographic orientation of the vineyards, rather than as the name of the entire region. Therefore, TTB cannot determine that “North Slope” or any of the other suggested names would be more appropriate for the proposed AVA than “Laurelwood District.”

### **TTB Determination**

After careful review of the petition and the comments received in response to Notice No. 181, TTB finds that the evidence provided by the petitioners supports the establishment of the Tualatin Hills and Laurelwood District AVAs. Accordingly, under the authority of the FAA Act, section 1111(d) of the Homeland Security Act of 2002, and part 4 of the TTB regulations, TTB establishes the “Tualatin Hills” AVA in portions of Multnomah and Washington Counties, Oregon, and the “Laurelwood District” AVA in portions of Washington and Yamhill Counties, Oregon, effective 30 days from the publication date of this document.

TTB has also determined that the Tualatin Hills AVA will remain part of the established Willamette Valley AVA. As discussed in Notice No. 181, the Tualatin Hills AVA shares some broad characteristics with the Willamette Valley AVA. For example, elevations within both AVAs are generally below 1,000 feet, and the soils are primarily silty loams and clay loams. However, the Tualatin Hills AVA is comprised mainly of rolling hills and lacks the major valley floors that are a primary feature of the Willamette Valley AVA. Additionally, annual rainfall amounts are slightly higher for the Tualatin Hills AVA than for the Willamette Valley AVA in general.

TTB has also determined that the Laurelwood District AVA will remain part of both the established Willamette Valley AVA and the established Chehalem Mountains AVA. As discussed in Notice No. 181, the Laurelwood District AVA shares some broad characteristics with both established AVAs. For example, both the Willamette Valley AVA and the Laurelwood District AVA are in the rain shadow of the Cascade Mountains and, therefore, share similar annual rainfall amounts and growing degree day accumulations. Like the Chehalem Mountains AVA, the Laurelwood District AVA consists of hilly-to-mountainous terrain with vineyards planted at elevations between 200 and 1,000 feet. However, the Laurelwood District AVA differs from both the Willamette Valley and Chehalem Mountains AVAs because its primary soil is the Laurelwood series, whereas the other two AVAs have a much wider diversity of soils.

### **Boundary Description**

See the narrative description of the boundary of the Tualatin Hills AVA and the Laurelwood District AVA in the regulatory text published at the end of this final rule.

### **Maps**

The petitioners provided the required maps, and they are listed below in the regulatory text. The boundaries of the Tualatin Hills and Laurelwood District AVAs may also be viewed on the AVA Map Explorer on the TTB website, at <https://www.ttb.gov/wine/ava-map-explorer>.

## **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 or with a brand name that includes 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 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 27 CFR 4.39(i)(2) for details.

With the establishment of these two AVAs, their names, "Tualatin Hills" and "Laurelwood District," will be recognized as names of viticultural significance under § 4.39(i)(3) of the TTB regulations (27 CFR 4.39(i)(3)). The text of the regulations clarifies this point. Consequently, wine bottlers using the name "Tualatin Hills" or "Laurelwood District" in a brand name, including a trademark, or in another label reference as to the origin of the wine, will have to ensure that the product is eligible to use the AVA name as an appellation of origin. TTB is not designating the phrase "Laurelwood" as a term of viticultural significance, in order to avoid a potential negative effect on current labels that use "Laurelwood"

as part of a brand name or as a truthful description of vineyard soils on wine labels. Therefore, the phrase “Laurelwood” (without the word “district”) may be used as a brand name, part of a brand name, or a truthful description of vineyard soils on wine labels without having to meet the appellation of origin eligibility requirements for the Laurelwood District AVA.

The establishment of the Tualatin Hills and Laurelwood District AVAs will not affect any existing AVA, and any bottlers using “Willamette Valley” or “Chehalem Mountains” as an appellation of origin or in a brand name for wines made from grapes grown within the Willamette Valley AVA will not be affected by the establishment of these new AVAs. The establishment of the Tualatin Hills AVA will allow vintners to use “Tualatin Hills” and “Willamette Valley” as appellations of origin for wines made primarily from grapes grown within the Tualatin Hills AVA if the wines meet the eligibility requirements for the appellation. The establishment of the Laurelwood District AVA will allow vintners to use “Laurelwood District,” “Willamette Valley,” and “Chehalem Mountains” as appellations of origin for wines made primarily from grapes grown within the Laurelwood District AVA if the wines meet the eligibility requirements for the appellation.

### **Regulatory Flexibility Act**

TTB certifies that this regulation will not have a significant economic impact on a substantial number of small entities. The 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 final 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 final rule.

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

Wine.

### **The Regulatory Amendment**

For the reasons discussed in the preamble, TTB amends 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 § 9.268 to read as follows:

##### **§ 9.268 Tualatin Hills.**

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

(b) *Approved maps.* The 6 United States Geological Survey (USGS) 1:24,000 scale topographic maps and the single 1:250,000 scale topographic map used to determine the boundary of the Tualatin Hills viticultural area are titled:

- (1) Vancouver, 1974 (1:250,000);
- (2) Dixie Mountain, OR, 2014;
- (3) Gaston, OR, 2014;
- (4) Laurelwood, OR, 2014;
- (5) Forest Grove, OR, 2014;
- (6) Hillsboro, OR, 2014; and
- (7) Linnton, OR, 2014.

(c) *Boundary.* The Tualatin Hills viticultural area is located in Clackamas, Multnomah and Washington Counties, in Oregon. The boundary of the Tualatin Hills viticultural area is as described below:

(1) The beginning point is on the Dixie Mountain map at the intersection of North West Skyline Boulevard and North West Moreland Road. From the beginning point, proceed southwesterly along North West Moreland Road for approximately 1.3 miles to road's intersection with the Multnomah–Washington County line; then

(2) Proceed south along the Multnomah–Washington County for approximately 1.2 miles to the county line's intersection with the 1,000-foot elevation contour; then

(3) Proceed northwesterly along the 1,000-foot elevation contour, crossing onto the Vancouver map and continuing generally southwesterly along the meandering 1,000-foot elevation contour to its intersection with the Washington–Yamhill County line; then

(4) Proceed east along the Washington–Yamhill County line, crossing onto the Gaston map, to the intersection of the county line with NW South Road; then

(5) Proceed northeast along NW South Road to its intersection with SW South Road; then

(6) Proceed northeasterly along SW South Road to its intersection with the 200-foot elevation contour; then

(7) Proceed easterly along the 200-foot elevation contour for approximately 1.9 miles to its intersection with East Main Street/SW Gaston Road in the village of Gaston; then

(8) Proceed south, then east along SW Gaston Road for approximately 0.9 mile, crossing onto the Laurelwood map, to the road's intersection with the 240-foot contour line just south of an unnamed road known locally as SW Dixon Mill Road; then

(9) Proceed north along the meandering 240-foot elevation contour for approximately 5 miles to its intersection with SW Sandstrom Road; then

(10) Proceed west along SW Sandstrom Road for approximately 0.15 mile to its third crossing of the 200-foot elevation contour; then

(11) Proceed northwesterly and then northeasterly along the meandering 200-foot contour line for approximately 2.9 miles to its intersection with an

unnamed road known locally as SW Fern Hill Road, north of an unnamed road known locally as SW Blooming Fern Hill Road; then

(12) Proceed north along SW Fern Hill Road for approximately 1.2 miles, crossing onto the Forest Grove map, to the road's intersection with Oregon Highway 47; then

(13) Proceed northerly along Oregon Highway 47 for approximately 7.6 miles to its intersection with Oregon Highway 6/NW Wilson River Highway; then

(14) Proceed east along Oregon Highway 6/NW Wilson River Highway for approximately 2.5 miles to its intersection with Sunset Highway; then

(15) Proceed southeast along Sunset Highway for approximately 2.3 miles to its intersection with the railroad tracks; then

(16) Proceed east along the railroad tracks, crossing onto the Hillsboro map, to the intersection of the railroad tracks and an unnamed road known locally as NW Dick Road; then

(17) Proceed south along NW Dick Road for approximately 0.3 mile to its intersection with NW Phillips Road; then

(18) Proceed east along NW Phillips Road for approximately 1.2 miles, crossing onto the Linnton map, to the road's intersection with an unnamed road known locally as NW Old Cornelius Pass Road; then

(19) Proceed northeast along NW Old Cornelius Pass Road to its intersection with NW Skyline Boulevard Road; then

(20) Proceed north and west along NW Skyline Boulevard for approximately 10.5 miles, crossing over the northeast corner of the Hillsboro map and onto the Dixie Mountain map and then returning to the beginning point.

3. Subpart C is amended by adding § 9.269 to read as follows:

**§ 9.269 Laurelwood District.**

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

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

- (1) Laurelwood, OR, 2014;
- (2) Scholls, Oreg., 1961; photorevised 1985;
- (3) Newberg, OR, 2014;
- (4) Beaverton, Oreg., 1961; photorevised 1984;
- (5) Sherwood, Oreg., 1961; photorevised 1985; and
- (6) Dundee, Oreg., 1956; revised 1993.

(c) *Boundary.* The Laurelwood District viticultural area is located in Washington and Yamhill Counties, in Oregon. The boundary of the Laurelwood District viticultural area is as described below:

- (1) The beginning point is on the Laurelwood map at the intersection of Winters Road and Blooming Fern Hill Road in section 17, T1S/R3W. From the

beginning point, proceed west then northwest along Blooming Fern Hill Road for approximately 0.4 mile to its intersection with the 200-foot elevation contour; then

(2) Proceed north then northeasterly along the 200-foot elevation contour for 1.5 miles to its intersection with SW La Follette Road; then

(3) Proceed south along SW La Follette Road for 0.25 mile to its intersection with the 240-foot elevation contour, north of Blooming Fern Hill Road; then

(4) Proceed easterly then southerly along the 240-foot elevation contour, crossing onto the Scholls map and back onto the Laurelwood map, for a total of 17 miles to the intersection of the elevation contour with SW Laurel Road; then

(5) Proceed east along SW Laurel Road for 0.15 mile to its intersection with the 200-foot elevation contour; then

(6) Proceed easterly along the 200-foot elevation contour, crossing over the Scholls map and onto the Newberg map, then crossing Heaton Creek and back onto the Scholls map for a total of 17.5 miles to the intersection of the elevation contour with Mountain Home Road east of Heaton Creek; then

(7) Proceed easterly then southerly along the 200-foot elevation contour, crossing over the Beaverton and Sherwood maps and back onto the Scholls map for a total of 8.9 miles to the intersection of the elevation contour with the middle tributary of an unnamed stream along the western boundary of section 24, T2S/R2W; then

(8) Proceed southeast along the 200-foot elevation contour, crossing over the northeast corner of the Newberg map and onto the Sherwood map, to the intersection of the elevation contour with Edy Road in section 25, T2S/R2W; then

(9) Proceed southwest along the 200-foot elevation contour, crossing onto the Newberg map and back onto the Sherwood map, to the intersection of the elevation contour with Elwert Road along the eastern boundary of section 25, T2S/R2W; then

(10) Proceed south along Elwert Road for 0.85 mile to its intersection with an unnamed highway known locally as Oregon Highway 99W, along the eastern boundary of section 36, T2S/R2W; then

(11) Proceed southwesterly along Oregon Highway 99W for 0.45 mile to its intersection with the 250-foot elevation contour immediately south of an unnamed tributary of Cedar Creek in section 36, T2S/R2W; then

(12) Proceed southerly along the 250-foot elevation contour for 1 mile to its intersection with Middleton Road in section 1, T2S/R2W; then

(13) Proceed southwesterly along Middleton Road, which becomes Rein Road, for 0.5 mile to the intersection of the road with the 200-foot elevation contour immediately south of Cedar Creek; then

(14) Proceed easterly along the 200-foot elevation contour for 1.6 miles to its intersection with an unnamed light-duty east-west road known locally as Brookman Road in the village of Middleton, section 6, T3S/R1W; then

(15) Proceed east on Brookman Road for 0.4 mile to its intersection with the shared Washington–Clackamas County line at the western corner of section 5, T3S/R1W; then

(16) Proceed south along the Washington–Clackamas County line for 1 mile to its intersection with Parrett Mountain Road along the eastern boundary of section 7, T3S/R1W; then

(17) Proceed southwesterly along Parrett Mountain Road, crossing onto the Newberg map, for a total of 2.6 miles, to the intersection with an unnamed local road known locally as NE Old Parrett Mountain Road; then

(18) Proceed west along NE Old Parrett Mountain Road for 1.7 mile to its intersection with NE Schaad Road; then

(19) Proceed west along NE Schaad Road for 0.5 mile to its intersection with an unnamed local road known locally as NE Corral Creek Road; then

(20) Proceed north along NE Corral Creek Road for 0.9 mile to its westernmost intersection with an unnamed local road known locally as NE Veritas Lane, south of Oregon Highway 99W; then

(21) Proceed north westerly in a straight line for approximately 0.05 mile to the intersection of Oregon Highway 99W and the 250-foot elevation contour; then

(22) Proceed northwesterly along the 250-foot elevation contour for 1 mile to its intersection with the second, westernmost intermittent stream that is an unnamed tributary of Spring Brook; then

(23) Proceed northerly along the unnamed stream, crossing the single-gauge railroad track, for 0.5 mile to the intersection of the stream with the 430-foot elevation contour; then

(24) Proceed west along the 430-foot elevation contour for 0.25 mile, crossing an unnamed road known locally as Owls Lane, to the intersection of the elevation contour with NE Kincaid Road; then

(25) Proceed northwesterly along NE Kincaid Road for 0.25 mile to its intersection with NE Springbrook Road; then

(26) Proceed northwesterly along NE Springbrook Road for 0.22 mile to its intersection with an unnamed road known locally as Bell Road; then

(27) Proceed east along Bell Road for 0.5 mile, making a sharp northwesterly turn, then continuing along the road for 0.2 mile to its intersection with Mountain Top Road; then

(28) Proceed northwesterly along Mountain Top Road for 1.9 miles to its intersection with SW Hillsboro Highway, also known as Highway 219; then

(29) Proceed north along SW Hillsboro Highway for 0.1 mile to its intersection with Mountain Top Road at the Washington–Yamhill County line; then

(30) Proceed northwest along Mountain Top Road for 3.1 miles, crossing onto the Dundee map, to the intersection of the road with Bald Peak Road in section 26, T2S/R3W; then

(31) Proceed northwest, then northeast, then north along Bald Peak Road, crossing onto the Laurelwood map, for a total of 4.8 miles, to the intersection of the road with SW Laurelwood Road; then

(32) Proceed southwest, then northwest, along SW Laurelwood Road for 0.8 mile to its intersection with the 700-foot elevation contour; then

(33) Proceed northeast, then northwest, then north along the 700-foot elevation contour for 5 miles, passing west of Iowa Hill and Spring Hill, to the intersection of the elevation contour and SW Winters Road; then

(34) Proceed north on SW Winters Road for 2 miles, returning to the beginning point.

Signed: January 28, 2020.

**Mary G. Ryan,**

Acting Administrator.

Approved: May 13, 2020.

**Timothy E. Skud,**

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

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