

to providing long-term firm transmission rights.<sup>111</sup> However, now that Congress has weighed in on the issue, we remain optimistic that CAISO will develop a plan, tariff sheets and implementation timetable to allow provision of long-term transmission rights at the inception of MRTU, without delaying MRTU's target November 2007 implementation date.

124. We also deny SMUD's request that, if implementation of financial long-term firm transmission rights cannot be accomplished within a short time after the date for the compliance filing, the affected transmission organizations should develop interim plans, such as the use of physical rights service, until a financial rights service can be implemented. We expect that, apprised of the importance of this matter to Congress, transmission organizations will make compliance proposals that fully comply with the Final Rule in a timely manner. It is premature and inappropriate to consider in this generic proceeding whether interim plans, such as the provision of physical rights, are needed. Similarly, we will not address in this rehearing of a rulemaking of general applicability SMUD's assertion that the CAISO's proposed priority nomination process, or PNP, is discriminatory. As we explained in the Final Rule, we will address the specifics of individual transmission organizations' implementation of the Final Rule in our orders on compliance proposals.<sup>112</sup> The compliance proposal process provides transmission organizations with the opportunity to offer for comment the proposals they have created after vetting issues through their stakeholder process, and the comment process ensures the opportunity for thorough and fair discussion of the proposals.

125. Finally, with respect to Santa Clara's requested clarification/rehearing concerning CAISO's obligation to comply with the Final Rule, section 1233(b) of EPAct 2005 requires the Commission to implement the FPA's new statutory provision, section 217, concerning long-term firm transmission rights in transmission organizations with organized electricity markets. Significantly, as we pointed out in the NOPR, neither EPAct 2005 nor section 217 of the FPA defines "organized electricity market."<sup>113</sup> In the NOPR, we proposed to define "organized electricity market" as "an auction-based

market where a single entity receives offers to sell and bids to buy electric energy and/or ancillary services from multiple sellers and buyers and determines which sales and purchases are completed and at what prices, based on formal rules contained in Commission-approved tariffs, and where the prices are used by a transmission organization for establishing transmission usage charges."<sup>114</sup> In the Final Rule, however, we modified the first clause of the definition to state that organized electricity market "means an auction based *day ahead and real time wholesale market*. \* \* \*" <sup>115</sup> We explained that the purpose of this modification was:

to clarify the application of the Final Rule and ensure that the definition captures the transmission organizations with organized electricity markets using LMP and FTRs to which Congress directed the Commission to apply this Final Rule in section 1233(b) of EPAct 2005.<sup>116</sup>

126. CAISO does not currently operate a day-ahead *wholesale energy* market, although it will upon the inception of MRTU, scheduled to take place in November 2007. While CAISO currently has FTRs, their characteristics will change dramatically upon implementation of MRTU—*e.g.*, they will be point-to-point and available to load serving entities without participation in an auction, two features of long-term firm transmission rights required by our guidelines. Given that the nature of FTRs in CAISO is in transition, implementing long-term FTRs under the current market design would be problematic. Nevertheless, we clarify that CAISO must submit a compliance filing on January 29, 2007. This will enable the Commission (and its staff) to monitor CAISO's progress and ensure availability of long-term firm transmission rights when MRTU goes into effect.

By the Commission.

**Magalie R. Salas,**

*Secretary.*

[FR Doc. E6-19999 Filed 11-24-06; 8:45 am]

**BILLING CODE 6717-01-P**

## DEPARTMENT OF COMMERCE

### International Trade Administration

#### 19 CFR Part 351

#### Antidumping and Countervailing Duties

##### *CFR Correction*

In Title 19 of the Code of Federal Regulations, part 200 to end, revised as of April 1, 2006, on page 225, § 351.218 is corrected by removing and reserving paragraph (d)(2)(iii).

[FR Doc. 06-55530 Filed 11-24-06; 8:45 am]

**BILLING CODE 1505-01-D**

## DEPARTMENT OF THE TREASURY

### Alcohol and Tobacco Tax and Trade Bureau

#### 27 CFR Part 9

[T.D. TTB-56; Re: Notice No. 18]

RIN 1513-AA57

#### Establishment of the Chehalem Mountains Viticultural Area (2002R-214P)

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

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

**SUMMARY:** This Treasury decision establishes the 68,265-acre Chehalem Mountains viticultural area in Clackamas, Yamhill, and Washington Counties, Oregon. This new viticultural area is entirely within the existing Willamette Valley viticultural area. We designate viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

**DATES:** *Effective Date:* December 27, 2006.

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

#### **SUPPLEMENTARY INFORMATION:**

##### **Background on Viticultural Areas**

##### *TTB Authority*

Section 105(e) of the Federal Alcohol Administration Act (the FAA Act, 27 U.S.C. 201 *et seq.*) requires that alcohol beverage labels provide consumers with adequate information regarding product identity and prohibits the use of misleading information on those labels.

<sup>111</sup> See *id.* at P 891 (recounting CAISO's history of procrastination concerning long-term rights development).

<sup>112</sup> *Id.* at P 495.

<sup>113</sup> See NOPR at P 8.

<sup>114</sup> See *id.*

<sup>115</sup> See Final Rule at P 30 (emphasis added).

<sup>116</sup> *Id.*

The FAA Act also authorizes the Secretary of the Treasury to issue regulations to carry out its provisions. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these regulations.

Part 4 of the TTB regulations (27 CFR part 4) allows the establishment of definitive viticultural areas and the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) contains the list of approved viticultural areas.

#### *Definition*

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region distinguishable by geographical features, the boundaries of which have been recognized and defined in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to its geographic origin. The establishment of viticultural areas allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of a viticultural area is neither an approval nor an endorsement by TTB of the wine produced in that area.

#### *Requirements*

Section 4.25(e)(2) of the TTB regulations outlines the procedure for proposing an American viticultural area and provides that any interested party may petition TTB to establish a grape-growing region as a viticultural area. Section 9.3(b) of the TTB regulations requires the petition to include—

- Evidence that the proposed viticultural area is locally and/or nationally known by the name specified in the petition;
- Historical or current evidence that supports setting the boundary of the proposed viticultural area as the petition specifies;
- Evidence relating to the geographical features, such as climate, soils, elevation, and physical features, that distinguish the proposed viticultural area from surrounding areas;
- A description of the specific boundary of the proposed viticultural area, based on features found on United States Geological Survey (USGS) maps; and
- A copy of the appropriate USGS map(s) with the proposed viticultural area's boundary prominently marked.

### **Chehalem Mountains Viticultural Area Petition and Rulemaking**

#### *Background*

TTB received a petition from Alex Sokol-Blosser, secretary of the North Willamette Valley AVA Group, proposing establishment of the new "Chehalem Mountains" viticultural area. David Adelsheim, Paul Hart, and Richard Ponzi authored the petition.

The proposed Chehalem Mountains viticultural area is located in portions of Clackamas, Yamhill, and Washington Counties in northwestern Oregon. The proposed area lies in the northern region of the Willamette Valley viticultural area (27 CFR 9.90) and, along its southwestern boundary, encompasses the smaller Ribbon Ridge viticultural area (27 CFR 9.182). The Chehalem Mountains viticultural area is approximately 19 miles southwest of Portland, Oregon, and 45 miles inland from the Pacific Ocean. The proposed Chehalem Mountains viticultural area covers 106.6 square miles, or 68,265 acres. The petition states that, in 2002, the area contained at least 80 vineyards, totaling over 1,100 acres, and 12 commercial wineries.

Terrain, elevation, and climate are the significant distinguishing features of the proposed Chehalem Mountains viticultural area. The proposed boundary line, which is generally at 200 to 250 feet in elevation, encompasses this single, continuous landmass lifted from the Willamette Valley floor.

We summarize below the supporting evidence presented with the petition.

#### *Name Evidence*

The petition explains that the region within the proposed viticultural area is locally known as the "Chehalem Mountains." The petition notes that use of the Chehalem name extends back to the early 19th century, that it is featured on USGS maps of the region, and that it is used by a variety of present-day businesses, housing developments, parks, and roads.

The modern word "Chehalem" comes from the Native American name "Chahelim," listed under the heading Atfalati (Tualatin) in the "Handbook of American Indians," according to references in the petition. Also, beginning in the early 1800s, the "Chehalem" name referred to more than 20 bands of Native Americans living in the general vicinity of the Chehalem Mountains.

Historically, the "Chehalem" name entered the vocabulary of the early European settlers prior to 1840, according to the petition. The petition explains that in 1834 a lumber mill

started operations on Chehalem Creek. Also, in 1848, Joseph B. Rogers platted the town of "Chehalem" on his property, the current site of Newberg, Oregon. The petition further states that on March 14, 1851, the township of "Chehalem" established one of the earliest post offices in Yamhill County.

The "Chehalem Mountains" name figures prominently on the USGS quadrangle maps of Newberg, Dundee, Laurelwood, and Scholls, Oregon, submitted with the petition. Within the Chehalem Mountains, these USGS maps name the Parrett Mountain and Ribbon Ridge spurs, as well as other hills, peaks, and ridges, including Laurel Ridge, Bald Peak, Iowa Hill, Spring Hill, and Fern Hill. The entry for Chehalem Mountains in "Oregon Geographic Names" by Lewis L. McArthur reads, "These are the highest mountains in the Willamette Valley \* \* \*. The Chehalem Mountains and some independent spurs extend from the Willamette River east of Newberg to the foothills of the Coast range south of Forest Grove, Oregon." Additional geographic location name references on the USGS maps include Chehalem Creek, which runs through Chehalem Valley, on the south side of the Chehalem Mountains.

In addition to the USGS map references, modern "Chehalem" name usages include a municipal park and recreation district, a public middle school, public roads, 27 business names, and several housing developments, according to petition evidence.

#### *Boundary Evidence*

The proposed boundary line of the Chehalem Mountains viticultural area relies primarily on geographical features and elevations, the petition explains and the USGS regional maps confirm. In addition to terrain and elevation, slope and soil criteria help delineate the line between mountains and valley floor, according to the petition. Thus, the proposed Chehalem Mountains viticultural area boundary line includes mountainous and hillside terrain, but excludes flat or barely sloping lands.

A valley formed by the Tualatin River and its tributaries lies on much of the west side and all of the north side of the Chehalem Mountains. On the east side of the Chehalem Mountains, Rock Creek and Seely Ditch separate the mountains from the high ground around Tonquin. The southeast side of the Chehalem Mountains borders the flood plain of the Willamette River, and the Chehalem Valley lies along the southwest side of the proposed viticultural area's boundary line.

Historically, the first vineyard acquisition in the Chehalem Mountains

dates to 1968, when Dick Erath purchased 49 acres on Dopp Road in Yamhill County, according to the petition. Mr. Erath planted vineyards in the spring of 1969, the petition continues, and shortly thereafter other land owners also started planting wine grapes.

#### *Distinguishing Features*

The petition states that the distinguishing features of the proposed Chehalem Mountains viticultural area include its terrain, elevation, and climate. These features contrast with the surrounding Willamette Valley, Coast Range, and Columbia Gorge regions.

#### *Physical Features*

The length and towering peaks of the Chehalem Mountains landform distinguish the proposed viticultural area from the surrounding Willamette Valley area, the petition explains. Viewable from the West Hills of Portland, Oregon, and the northern Willamette Valley floor, the Chehalem Mountains measure more than 20 miles in length and 5 miles in width. The mountains are a single continuous landmass of increasing elevation, containing a series of ridges and two highly delineated spurs, Ribbon Ridge and Parrett Mountain. The mountains also serve to separate the Tualatin River basin and the Chehalem Valley, the petition continues.

The slopes of the Chehalem Mountains, both steep and gentle, significantly contrast with the almost flat Willamette Valley floor, the petition explains. On the west side of Ribbon Ridge and the southeast side of Parrett Mountain, the slopes descend steeply, according to the petition and the USGS maps of the region. At the bottom of these steep descents, the slopes become almost level and flatten into the valley floor.

The majority of the Chehalem Mountains slopes shift gradually and gently to the valley floor, as shown on USGS regional maps. Where the terrain transition lacks distinction, the petitioner uses a combination of terrain, elevation, slope, and soil criteria to determine the boundary line of the proposed Chehalem Mountains viticultural area.

#### *Elevation*

Within the Willamette Valley, the Chehalem Mountains tower in height over the surrounding landforms and terrain, according to the petition. Bald Peak, northwest of Newberg and within the proposed Chehalem Mountains viticultural area, rises to 1,633 feet above sea level, while the surrounding

valley floor sits at or below 200 feet in elevation, according to the USGS regional maps.

Most of the vineyards in the proposed Chehalem Mountains viticultural area, the petition states, lie between the 200 feet and 1,000 feet contour lines. The areas below 200 feet in elevation have alluvial soils, characterized by greater depth, fertility, and water-holding capacity, according to the petition. This combination of soil features extends the growing period of the Willamette Valley floor and delays grape ripening. Also, frost potential increases at the lower elevations of the valley floor when compared to the higher hillside and mountain elevations. As a result, the proposed Chehalem Mountains viticultural area boundary line excludes valley floor elevations and its alluvial soils, the petition states.

#### *Climate*

Significant annual precipitation best distinguishes the climate of the proposed Chehalem Mountains viticultural area from surrounding regions, the petition claims. As the highest mountains in the Willamette Valley the Chehalems create a large obstacle for west-to-east moving storms. When the moist air rises over the Chehalem Mountains, water vapor in the cooling air condenses and falls to earth as terrain-induced rain, the petition explains.

According to data from the "Atlas of Oregon," second edition (University of Oregon Press, 2001), annual rainfall within the boundaries of the proposed viticultural area ranges from 37 inches in the lower elevations to almost 60 inches at the highest elevation at Bald Peak. This annual precipitation contrasts with the 36 inches received in Hillsboro and Beaverton to the north of the proposed viticultural area, French Prairie to the south, and Portland International Airport to the east, the petition explains. To the west of the Chehalems, the Coast Range, closer to the moisture-laden air of the Pacific Ocean, annually averages over 100 inches of rain.

Several other uplifted regions within the Willamette Valley include higher rainfall levels than the surrounding valley floor, but none are as dramatic as the Chehalem Mountains. For example, to the south-southwest of the proposed viticultural area, the Eola Hills, which peak at approximately 1,160 feet, receive 40 to 48 inches of annual precipitation, while to the south of the proposed viticultural area, the Dundee Hills, which peak at 1,067 feet in elevation, receive 40 to 44 inches of annual precipitation.

Temperatures vary within the Chehalem Mountains more than in any other region within the Willamette Valley, the petition explains. According to data from the Oregon Climate Service, heat accumulation during the Chehalem Mountains growing season varies from over 2,200 degree days along the mountains' south side base to less than 1,800 degree days on the northsides of their higher peaks. The annual 400 degree-day variation typically results in a three-week difference in the ripening of Pinot Noir grapes, the petition explains. (Each degree that a day's mean temperature is above 50 degrees Fahrenheit, which is the minimum temperature required for grapevine growth, is counted as one degree day; see "General Viticulture," Albert J. Winkler, University of California Press, 1975.)

Evapotranspiration, or the loss of water from soil and plants by a combination of evaporation and transpiration, averages about 3 inches less at the higher elevations of the Chehalem Mountains when compared to the surrounding valleys, the petition states. This difference corresponds to the warmer growing temperatures found at the lower elevations, as compared to the cooler growing temperatures at the higher elevations of the Chehalem Mountains, the petition explains.

#### *Soil*

The petition emphasizes that the diverse Chehalem Mountains soils fail to qualify as a distinguishing feature for this viticultural area petition. The soils, according to the petition, include loess, sedimentary, basaltic, and alluvial origins.

The Ribbon Ridge spur, within the proposed Chehalem Mountains southwest boundary line and heavily planted to red wine grapes, includes sedimentary soil of the Willakenzie Series, the petition explains. The central and southern Chehalem Mountains, with vineyards of white grapes and extensive Pinot Noir plantings, include large deposits of basaltic soils, mainly of the Jory Series. The central Chehalem Mountains region also includes loess soils, primarily of the Laurelwood Series.

The petition further states that the sedimentary western flank of the Chehalem Mountains contains similarities to the adjacent hilly region surrounding the Yamhill River Basin, beyond the proposed boundary line. Also, the basaltic-origin soils of the Chehalem Mountains' southern slope and the Parrett Mountain spur resemble soils found further south and outside the proposed boundary line in the

Dundee Hills and on the east side of the Eola Hills. Eolian soils on the north side of the Chehalem Mountains, the petition continues, resemble those found on the hills further north and east, beyond the proposed boundary line, in the Tualatin basin at Cooper and Bull Mountains. Finally, alluvial soils at the base of the Chehalem Mountains contain similarities to the surrounding valley flood plain soils found at elevations below the proposed viticultural area boundary line.

The petition concludes that terrain, elevation, and climatic features of the proposed Chehalem Mountains viticultural area join to create the distinguishing features of this proposed viticultural region. The Chehalem Mountains soils, with their variety of parent material types, lack distinction from the surrounding Willamette Valley floor and hill formations.

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

On October 7, 2003, TTB published in the **Federal Register** (68 FR 57840) as Notice No. 18 a notice of proposed rulemaking regarding the establishment of the Chehalem Mountains viticultural area. We received eight comments in response to that notice.

All comments supported the establishment of the Chehalem Mountains viticultural area. Six of the eight comments agreed that the proposed "Chehalem Mountains" name, boundary line, and distinguishing features accurately represented the proposed viticultural area. The remaining two comments also supported establishment of the Chehalem Mountains viticultural area, but specifically expressed concern about a possible conflict with one winery's longstanding use of "Chehalem" in its brand name, because the winery does not source all of its grapes from within the proposed Chehalem Mountains boundary.

It is the understanding of TTB that these two commenters were referring to Chehalem Winery and Vineyards, which utilizes grapes grown within the boundary of the proposed Chehalem Mountains viticultural area but also relies on grapes from the nearby Dundee Hills viticultural area (27 CFR 9.180) for its production, with the result that the wine produced would not meet the 85 percent standard for use of "Chehalem Mountains" as an appellation of origin (see the Impact on Current Wine Labels discussion below). The two commenters recommended that TTB allow the winery to continue to use the "Chehalem" brand name for grapes obtained outside the proposed

Chehalem Mountains viticultural area boundary line. One of these commenters specifically suggested that such continued use of "Chehalem" in the winery's brand name would be appropriate so long as all of the grapes in question came from within the Willamette Valley viticultural area.

#### **TTB Finding**

After careful review of the petition and the eight comments received, TTB finds that the evidence submitted supports the establishment of the proposed viticultural area. Therefore, under the authority of the Federal Alcohol Administration Act and part 4 of our regulations, we establish the "Chehalem Mountains" viticultural area in Clackamas, Yamhill, and Washington Counties, Oregon, effective 30 days from the publication date of this document.

Regarding the concerns about use of the "Chehalem" name by Chehalem Winery and Vineyards, TTB has determined that only the full "Chehalem Mountain" name should have viticultural significance upon the establishment of the new viticultural area. Therefore, the name "Chehalem" standing alone will not have viticultural significance. Accordingly, the Chehalem Winery and Vineyards may continue to use its brand name for wines produced from grapes grown outside the boundaries of the Chehalem Mountains viticultural area.

#### *Boundary Description*

As originally proposed, the boundary of the Chehalem Mountains viticultural area encompassed the Ribbon Ridge landform, and the petitioning North Willamette Valley AVA Group intended to include the then proposed Ribbon Ridge viticultural area entirely within the proposed Chehalem Mountains area. Notice No. 8, included, therefore, proposed regulatory text that used the 200-foot and the 240-foot contour lines to define much of the southwestern boundary of the Chehalem Mountains viticultural area. In contrast, the regulatory text of § 9.182 adopted in T.D. TTB-27, which established the Ribbon Ridge viticultural area, uses Dopp and North Valley Roads for the Ribbon Ridge area's southern and western boundary lines, thus placing the Ribbon Ridge boundary slightly outside the originally proposed Chehalem Mountains southwestern boundary line.

TTB has, with the petitioner's agreement, modified the originally proposed southwestern boundary of the Chehalem Mountains viticultural area to mirror the established Ribbon Ridge viticultural area boundary line. This

minor boundary line change ensures that the Chehalem Mountains and Ribbon Ridge viticultural areas share a common boundary where appropriate so that the Ribbon Ridge area is entirely within the Chehalem area as the petitioner intended. This boundary line modification increases the overall size of the proposed Chehalem Mountains viticultural area by approximately 425 acres.

In addition, for clarity, we have made minor editorial, non-substantive changes to the wording of the originally proposed Chehalem Mountains viticultural area boundary description. See the narrative boundary description of the viticultural area in the regulatory text published at the end of this document.

#### *Maps*

The maps for determining the boundary of the viticultural area are listed below in the 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. With the establishment of this viticultural area and its inclusion in part 9 of the TTB regulations, its name, "Chehalem Mountains" is recognized under 27 CFR 4.39(i)(3) as a name of viticultural significance. The text of the new regulation clarifies this point. Consequently, wine bottlers using "Chehalem Mountains" in a brand name, including a trademark, or in another label reference as to the origin of the wine, must ensure that the product is eligible to use the viticultural area name or other term as an appellation of origin.

For a wine to be eligible to use as an appellation of origin a viticultural area name or other term specified as being viticulturally significant in part 9 of the TTB regulations, at least 85 percent of the wine must be derived from grapes grown within the area represented by that name or other term, and the wine must meet the other conditions listed in 27 CFR 4.25(e)(3). If the wine is not eligible to use the viticultural area name or term as an appellation of origin and that name or other term 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 viticultural area name or other term 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 a viticultural

area name or other viticulturally significant term that was used as a brand name on a label approved before July 7, 1986. See 27 CFR 4.39(i)(2) for details.

#### Regulatory Flexibility Act

We certify that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of a viticultural area name is the result of a proprietor's efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

#### Executive Order 12866

This rule is not a significant regulatory action as defined by Executive Order 12866 (58 FR 51735). Therefore, it requires no regulatory assessment.

#### Drafting Information

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

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

Wine.

#### The Regulatory Amendment

■ For the reasons discussed in the preamble, we amend title 27 CFR, chapter 1, part 9, 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 § 9.205 to read as follows:

##### § 9.205 Chehalem Mountains.

(a) *Name.* The name of the viticultural area described in this section is "Chehalem Mountains". For purposes of part 4 of this chapter, "Chehalem Mountains" is a term of viticultural significance.

(b) *Approved Maps.* The appropriate maps for determining the boundary of the Chehalem Mountains viticultural area are six United States Geological Survey 1:24,000 scale topographic maps. They are titled:

- (1) Newberg Quadrangle, Oregon, 7.5 Minute Series, 1961 (photorevised 1985);
- (2) Dundee Quadrangle, Oregon, 7.5 Minute Series, 1956 (revised 1993);

(3) Laurelwood Quadrangle, Oregon, 7.5 Minutes Series 1956 (revised 1992);

(4) Scholls Quadrangle, Oregon, 7.5 Minute Series, 1961 (photorevised 1985);

(5) Beaverton Quadrangle, Oregon, 7.5 Minute Series, 1961 (photorevised 1984); and

(6) Sherwood Quadrangle, Oregon, 7.5 Minute Series, 1961 (photorevised 1985).

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

(1) The beginning point is in Yamhill County on the Newberg map in section 15, T3S/R2W, at the intersection of Oregon Highway 99W and the 250-foot contour line, 0.4 mile east of Spring Brook;

(2) From the beginning point, proceed northwesterly 1.2 miles along the 250-foot contour to its intersection with an unnamed light-duty road locally known as Benjamin Road, section 50, T3S/R2W, Newberg map; then

(3) Proceed west 0.5 mile along Benjamin Road, crossing railroad tracks, to its intersection with an unnamed light-duty road locally known as Spring Brook Road, section 48, T3S/R2W, Newberg map; then

(4) Proceed southwest 0.3 mile along Spring Brook Road, parallel to the railroad tracks, to its intersection with an unnamed light-duty road locally known as Mountainview Drive, section 48, T3S/R2W, on the Newberg map; then

(5) Proceed west 0.35 mile on Mountainview Drive to its intersection with an unnamed light-duty road locally known as Aspen Way, along the western boundary of section 8, T3S/R2W, Newberg map; then

(6) Proceed northwesterly 1.4 miles on Aspen Way to its intersection with Bell Road, along the northern boundary of section 47, T3S/R2W, Newberg map; then

(7) Proceed west 0.8 mile on Bell Road, which becomes North Valley Road after crossing Oregon Highway 219, to its intersection with the 250-foot contour line, immediately before an unimproved dirt road on the left, section 46, T3S/R2W, Newberg map; then

(8) Proceed westerly 2 miles along the 250-foot contour line to its first intersection with the western boundary line of section 43, T3S/R3W, along the western border of the Newberg map; then

(9) Proceed north 0.2 mile along the western boundary of section 43, T3S/

R3W, to its intersection with the 240-foot contour line, Newberg map; then

(10) Proceed westerly for 4 miles along the 240-foot contour line, crossing onto the Dundee map, to its intersection with an unnamed light-duty road locally known as Sullivan Lane, section 74, T3S/R3, Dundee map; then

(11) Proceed south 0.25 mile along Sullivan Lane to its intersection with North Valley Road at elevation point 216, section 74, T3S/R3, Dundee map; then

(12) Proceed west 0.1 mile along North Valley Road to its intersection with the 200-foot contour line, section 74, T3S/R3W, Dundee map; then

(13) Proceed northwesterly 1 mile along the 200-foot contour line to its intersection with an unnamed creek northeast of elevation point 215, and continue northwesterly 0.05 mile along the unnamed creek to its intersection with Dopp Road along the western boundary line of section 74, T3S/R3W, Dundee map; then

(14) Proceed south 0.8 mile along Dopp Road to its intersection with North Valley Road at the elevation point 202 near the Ewing Young School, section 39, T3S/R3W, Dundee map; then

(15) Proceed northerly 5 miles on North Valley Road, crossing onto the Laurelwood map, to the road's intersection with Laughlin Road and Albertson Road at elevation point 235, section 58, T2S/R3W, Laurelwood map; then

(16) Proceed east 0.1 mile on Albertson Road to its intersection with the 240-foot contour line, section 58, T2S/R3W, Laurelwood map; then

(17) Proceed northerly 15.6 miles along the 240-foot contour line to its intersection with Sandstrom Road, section 19, T1S/R3W, Laurelwood map; then

(18) Proceed west 0.15 mile on Sandstrom Road to its third crossing of the 200-foot contour line, just before Fern Hill Road to the west, section 24, T1S/R4W, Laurelwood map; then

(19) Proceed northwesterly and then northeasterly 4.5 miles along the meandering 200-foot contour line to its intersection with La Follette Road along the eastern boundary of section 8, T1S/R3W, Laurelwood map; then

(20) Proceed south 0.25 mile on La Follette Road to its intersection with the 240-foot contour line, north of Blooming Fern Hill Road, along the western boundary line of section 16, T1S/R3W, Laurelwood map; then

(21) Proceed easterly and then southerly 17 miles along the meandering 240-foot contour line, crossing over and back on the Scholls map in section 25 and 56, T1S/R3W,

crossing Christensen Creek in section 35, T1S/R3W, and continuing to the contour line's intersection with Laurel Road West, along the southern boundary line of section 1, T2S/R3W, Laurelwood map; then

(22) Proceed east 0.15 mile on Laurel Road West to its intersection with the 200-foot contour line, along the southern boundary line of section 1, T2S/R3W, Laurelwood map; then

(23) Proceed easterly 17.5 miles along the meandering 200-foot contour line, and, after crossing onto the Scholls map and crossing over Laurel Road South, McCormick Hill Road four times, and Midway Road, and after crossing over and back on the Newberg map (crossing Heaton Creek) in section 28, T2S/R2W, continue to the contour line's intersection with Mountain Home Road, east of Heaton Creek, section 21, T2S/R2W, Scholls map; then

(24) Continue easterly and then southerly 8.9 miles along the 200-foot contour line and, after crossing Baker Creek, skirting Laurel Ridge to the north, crossing onto the Beaverton map, crossing over and back on the Sherwood map, crossing over in the northwest corner of the Beaverton map, and returning to the Scholls map, continue to the contour line's intersection with the middle tributary of an unnamed creek, along the western boundary line of section 24, T2S/R2W, Scholls map; then

(25) Proceed southeast along the meandering 200-foot contour line and, after crossing over to the northeast corner of the Newberg map to the Sherwood map, continue to the contour line's intersection with Edy Road, section 25, T2S/R2W, Sherwood map; then

(26) Proceed southwest along the meandering 200-foot contour line and, after crossing onto the Newberg map, skirting part of Chicken Creek, and returning to the Sherwood map, continue to the contour line's intersection with Elwert Road, along the eastern boundary line of section 25, T2S/R2W, Sherwood map; then

(27) Proceed south 0.85 mile on Elwert Road to its intersection with Oregon Highway 99W, along the eastern boundary line of section 36, T2S/R2W, Sherwood map; then

(28) Proceed south-southwest 0.45 mile on Oregon Highway 99W to its intersection with the 250-foot contour line immediately south of an unnamed Cedar Creek tributary, section 36, T2S/R2W, Sherwood map; then

(29) Proceed southerly 1 mile along the meandering 250-foot contour line to its intersection with Middleton Road,

section 1, T3S/R2W, Sherwood map; then

(30) Proceed southwesterly 0.5 mile on Middleton Road, which becomes Rein Road, to the road's intersection with the 200-foot contour line, immediately south of Cedar Creek, section 1, T3S/R2W, Sherwood map; then

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

(32) Proceed easterly 0.7 mile on Brookman Road to its intersection with the Washington-Clackamas County line, at the northwest corner of section 5, T3S/R1W, Sherwood map; then

(33) Proceed east 1 mile along the Washington-Clackamas County line to its intersection with Brown Road, at the northeast corner of section 5, T3S/R1W, Sherwood map; then

(34) Proceed southerly 1 mile on Brown Road to its second intersection with the 250-foot contour line, immediately south of an intermittent stream, in section 4, T3S/R1W, Sherwood map; then

(35) Proceed southerly 2.8 miles along the meandering 250-foot contour line, skirting Hoodview, to the contour line's intersection with Baker Road, section 16, T3S/R1W, Sherwood map; then

(36) Proceed south 0.15 mile on Baker Road to its intersection with the 200-foot contour line, section 16, T3S/R1W, Sherwood map; then

(37) Proceed southwesterly 13.1 miles along the meandering 200-foot contour line and, after crossing onto the Newberg map, continue to the contour line's intersection with Wilsonville Road, north of Willamette Greenway State Park, section 60, T3S/R2W, Newberg map; then

(38) Proceed northwesterly 2 miles on Wilsonville Road to its intersection with an unnamed tributary of Spring Brook, east-northeast of Grouse Butte, section 57, T3S/R2W, Newberg map; then

(39) Proceed southwesterly 0.25 mile along the unnamed tributary of Spring Brook to its intersection with the 200-foot contour line, section 57, T3S/R2W, Newberg map; then

(40) Proceed westerly and then northerly 0.45 mile along the 200-foot contour line, following the base of Grouse Butte, to the contour line's intersection with Wilsonville Road, section 57, T3S/R2W, Newberg map; then

(41) Proceed east 0.45 mile on Wilsonville Road to its intersection with the same unnamed tributary of Spring

Brook, section 57, T3S/R2W, Newberg map; then

(42) Proceed northeasterly 0.05 mile along the unnamed tributary of Spring Brook to its intersection with the 250-foot contour line, southwest of the quarries, section 57, T3S/R2W, Newberg map; then

(43) Proceed northerly 2.2 miles along the 250-foot contour line to its intersection with Corral Creek Road (misnamed Ladd Hill Road on the Newberg map), south of Oregon Highway 99W, section 15, T3S/R2W, Newberg map; then

(44) Proceed north 0.5 mile along Corral Creek Road to its western-most intersection with an unnamed light-duty road locally known as Veritas Lane, section 15, T3S/R2W, Newberg map; then

(45) Proceed north-northwesterly in a straight line approximately 0.05 mile and return to the beginning point.

Signed: September 8, 2006.

**John J. Manfreda,**  
*Administrator.*

Approved: October 27, 2006.

**Timothy E. Skud,**  
*Deputy Assistant Secretary (Tax, Trade, and Tariff Policy).*

[FR Doc. E6-20018 Filed 11-24-06; 8:45 am]

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## DEPARTMENT OF THE TREASURY

### Alcohol and Tobacco Tax and Trade Bureau

#### 27 CFR Part 9

[T.D. TTB-57; Re: Notice No. 39]

RIN 1513-AA70

#### Establishment of the Shawnee Hills Viticultural Area (2002R-345P)

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

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

**SUMMARY:** This Treasury decision establishes the Shawnee Hills viticultural area in the Shawnee National Forest region of southern Illinois. We designate viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase.

**DATES:** *Effective Date:* December 27, 2006.

**FOR FURTHER INFORMATION CONTACT:** Rita Butler, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Washington, DC 20220; telephone 202-927-8210.