

(1) Made by a contributing partnership (as defined in § 1.170A-14(j)(3)(iii)) or contributing S corporation (as defined in § 1.170A-14(j)(3)(iv)); or

\* \* \* \* \*

**Oluwafunmilayo A. Taylor,**

*Section Chief, Publications & Regulations Section, Associate Chief Counsel, (Procedure and Administration).*

[FR Doc. 2024-18925 Filed 8-29-24; 8:45 am]

BILLING CODE 4830-01-P

**DEPARTMENT OF THE TREASURY**

**Alcohol and Tobacco Tax and Trade Bureau**

**27 CFR Part 9**

[Docket No. TTB-2023-0007; T.D. TTB-195; Re: Notice No. 225]

RIN 1513-AD03

**Establishment of the San Luis Rey Viticultural Area**

**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 97,733-acre “San Luis Rey” American viticultural area (AVA) in San Diego County, California. The San Luis Rey viticultural area lies entirely within the established South Coast 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 September 30, 2024.

**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). In addition, the Secretary has delegated the functions and duties in the administration and enforcement of these provisions to the TTB Administrator through Treasury Order 120-01.

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, once approved, a name and a delineated boundary codified 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 allows any interested party to 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 to establish or modify 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;
- If the proposed AVA is to be established within, or overlapping, an existing AVA, an explanation that both identities the attributes of the proposed AVA that are consistent with the existing AVA and explains how the proposed AVA is sufficiently distinct from the existing AVA and therefore appropriate for separate recognition; and
- A detailed narrative description of the proposed AVA boundary based on USGS map markings.

**San Luis Rey Petition**

TTB received a petition from Rebecca Wood, managing member of Premium Vintners, LLC on behalf of Fallbrook Winery and other local vineyard owners and winemakers proposing the establishment of the “San Luis Rey” AVA in San Diego County, California. Premium Vintners, LLC, operates Fallbrook Winery and farms several vineyards within the proposed AVA. The proposed San Luis Rey AVA is located entirely within the established South Coast AVA (27 CFR 9.104) and covers approximately 97,733 acres. There are 44 commercially-producing vineyards covering a total of approximately 256 acres, along with 29 acres of planned vineyards. There are also 23 wineries within the proposed AVA.

According to the petition, the distinguishing features of the proposed San Luis Rey AVA are its topography, climate, and soils. The proposed AVA has low elevations that allow cool marine air from the Pacific Ocean to flow through the region, moderating temperatures. The mean elevation within the proposed AVA is 563 feet, and the average slope angle is 10 degrees. The low elevations and a terrain of gently rolling hills that are open to marine air almost eliminate the spring frosts that can affect vine growth at the beginning of the growing season. The petition also notes that afternoon breezes help to prevent fungal diseases resulting from the morning’s low cloud cover.

In the region north of the proposed San Luis Rey AVA, elevations are higher and slope angles are similar to those in the proposed AVA. In the region to the south, average elevations are lower and

slope angles are shallower than within the proposed AVA. Also, in the area to the southeast, elevations are higher with steeper slope angles than the proposed AVA. The petition did not provide elevation ranges for the area east of the proposed AVA but did include a graphic indicating higher elevations to the east of the proposed AVA. The Pacific Ocean is west of the proposed AVA, so the petition did not provide distinguishing feature information for this area.

The petition provided climate data, specifically the average annual mean temperature, average annual maximum temperature, average peak ripening and harvest season maximum temperature, and growing degree day<sup>1</sup> (GDD) accumulations for the proposed AVA and surrounding regions. According to the petition, the proposed AVA generally has mild winters and summers with lower maximum temperatures than regions farther inland due to the proposed AVA's proximity to the Pacific Ocean. The petition notes that the proposed AVA has lower average annual mean and maximum temperatures and fewer GDDs than the regions to the north and south. The proposed AVA has a greater number of mean GDDs but lower minimum GDDs and a lower average annual maximum temperature than the area to the southeast. Additionally, the proposed San Luis Rey AVA has lower annual precipitation amounts than the regions to the north and southeast and slightly higher amounts than the region to the south.

The petition notes that nearly 50 percent of the soils in the proposed San Luis Rey AVA are Alfisols soils with high concentrations of essential plant nutrients. Approximately 69 percent of the soils in the proposed AVA are sandy loams that can hold water while draining and aerating well and prevent overly vigorous growth. Soils to the north are 48 percent Alfisols and also contain more Entisols and Mollisols soils than the proposed AVA. To the south, soils are primarily Alfisols but in lower amounts than the proposed AVA. This area also has more Entisols and Mollisols soils than the proposed AVA. To the southeast, soils are 46 percent Alfisols, but contain more Entisols than are found in the proposed AVA.

<sup>1</sup> See Albert J. Winkler, *General Viticulture* (Berkeley: University of California Press, 1974), pages 61–64. In the Winkler climate classification system, annual heat accumulation during the growing season, measured in annual GDDs, defines climatic regions. One GDD accumulates for each degree Fahrenheit that a day's mean temperature is above 50 degrees F, the minimum temperature required for grapevine growth.

### Notice of Proposed Rulemaking and Comments Received

TTB published a notice of proposed rulemaking (NPRM) (Notice No. 225) in the **Federal Register** on August 30, 2023 (88 FR 59820), proposing to establish the San Luis Rey AVA. In the NPRM, TTB summarized the evidence from the petition regarding the name, boundary, and distinguishing features for the proposed AVA. The NPRM also compared the distinguishing features of the proposed AVA to the surrounding areas. For a detailed description of the evidence relating to the name, boundary, and distinguishing features of the proposed AVA, and for a detailed comparison of the distinguishing features of the proposed AVA to the surrounding areas, see the NPRM.

In the NPRM, 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 San Luis Rey AVA's location within the South Coast AVA, TTB solicited comments on whether the evidence submitted in the petition regarding the distinguishing features of the proposed AVA sufficiently differentiates it from the South Coast AVA. Finally, TTB requested comments on whether the geographic features of the proposed AVA are so distinguishable from the South Coast AVA that the proposed San Luis Rey AVA should no longer be part of the established AVA. The comment period closed October 30, 2023.

In response to the NPRM, TTB received one comment. The commenter is a wine reviewer who supported the establishment of the proposed San Luis Rey AVA, stating that its proposed boundaries encompass a subregion with soils compositions, temperature patterns, and acidity profiles that set the proposed AVA apart from neighboring AVAs. The commenter also stated that significant coastal influence on acidity profiles, in particular, invites the planting of grape varieties not otherwise found in the South Coast AVA.

TTB did not receive any comments in response to its question of whether the proposed San Luis Rey AVA is so distinguishable from the established South Coast AVA that the proposed AVA should not be part of the established AVA.

### TTB Determination

After careful review of the petition and the comment received in response to the NPRM, TTB finds that the evidence provided by the petitioner supports the establishment of the San Luis Rey AVA. Accordingly, under the

authority of the FAA Act, section 1111(d) of the Homeland Security Act of 2002, and parts 4 and 9 of the TTB regulations, TTB establishes the "San Luis Rey" AVA in San Diego County, California, effective 30 days from the publication date of this document.

TTB has also determined that the San Luis Rey AVA will remain part of the established South Coast AVA. As discussed in the NPRM, the proposed AVA shares the marine-influenced climate of the larger South Coast AVA. However, in general, the proposed San Luis Rey AVA has a lower mean elevation and more consistent terrain than the South Coast AVA. Additionally, the three most common soil series in the proposed AVA make up 34.9 percent of the total soils in the proposed AVA, but only comprise 20.3 percent of the total South Coast AVA soils.

### Boundary Description

See the narrative description of the boundary of the San Luis Rey AVA in the regulatory text published at the end of this final rule.

### Maps

The petitioner provided the required maps, and they are listed below in the regulatory text. The San Luis Rey AVA boundary 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 the San Luis Rey AVA, its name, "San Luis Rey," 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 regulation clarifies this point. Consequently, wine bottlers using the name “San Luis Rey” 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.

The establishment of the San Luis Rey AVA will not affect any existing AVA, and any bottlers using “South Coast AVA” as an appellation of origin or in a brand name for wines made from grapes grown within the South Coast AVA will not be affected by the establishment of this new AVA. The establishment of the San Luis Rey AVA will allow vintners to use “San Luis Rey” and “South Coast AVA” as appellations of origin for wines made primarily from grapes grown within the San Luis Rey AVA if the wines meet the eligibility requirements for these appellations.

#### 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, as amended. Therefore, no regulatory assessment is required.

#### Drafting Information

Vonzella C. Johnson 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 § 9.295 to read as follows:

##### § 9.295 San Luis Rey AVA.

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

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

- (1) Oceanside, CA, 2018;
- (2) San Luis Rey, CA, 2018;
- (3) San Marcos, CA, 2018;
- (4) Valley Center, CA, 2018;
- (5) Bonsall, CA, 2018;
- (6) Temecula, CA, 2018;
- (7) Fallbrook, CA, 2018; and
- (8) Morro Hill, CA, 2018.

(c) *Boundary.* The San Luis Rey viticultural area is located in San Diego County, California. The boundary of the San Luis Rey viticultural area is described as follows:

(1) The beginning point is on the Oceanside map at the intersection of Interstate 5 and the Marine Corps Base (MCB) Camp Pendleton boundary. From the beginning point, proceed northeast for a total of 11.21 miles along the MCB Camp Pendleton boundary, crossing over the San Luis Rey map and onto the Morro Hill map, and continuing along the MCB Camp Pendleton boundary to its intersection with the Naval Weapons Station (NWS) Seal Beach Fallbrook California boundary; then

(2) Proceed east along the NWS Seal Beach Fallbrook California boundary for a total of 6.85 miles, crossing onto the Bonsall map and continuing north, then west along the boundary, and crossing back onto the Morro Hill map and continuing northerly along the boundary, crossing onto the Fallbrook map, and continuing along the boundary as it becomes concurrent with the MCB Camp Pendleton boundary, and continuing along the boundary to its intersection with De Luz Road; then

(3) Proceed east along De Luz Road for 0.38 mile to its intersection with Sandia Creek Drive; then

(4) Proceed northerly along Sandia Creek Drive for a total of 3.98 miles, crossing onto the Temecula map and continuing along Sandia Creek Drive to its intersection with an unnamed road known locally as Rock Mountain Road; then

(5) Proceed east along Rock Mountain Road for 0.21 mile to its intersection with the San Diego County line; then

(6) Proceed south then east along the San Diego County line for 6.72 miles to its intersection with an unnamed road known locally as Old Highway 395; then

(7) Proceed south along Old Highway 395 for a total of 14.9 miles, crossing onto the Bonsall map and continuing south along Old Highway 395 to its intersection with an unnamed road known locally as Old Castle Road; then

(8) Proceed east on Old Castle Road for a total of 0.59 mile, crossing onto the San Marcos map and continuing east along Old Castle Road to its intersection with Gordon Hill Road; then

(9) Proceed southeasterly along Gordon Hill Road for 0.92 mile to its intersection with the 800-foot elevation contour; then

(10) Proceed east along the 800-foot elevation contour for a total of 2.5 miles, crossing onto the Valley Center map and continuing east along the 800-foot elevation contour to its intersection with Canyon Country Lane; then

(11) Proceed northwest and then south along Canyon Country Lane for 0.83 mile to its intersection with the 1,240-foot elevation contour; then

(12) Proceed east along the 1,240-foot elevation contour for 2.90 miles to its intersection with Cougar Pass Road; then

(13) Proceed west then south along Cougar Pass Road for 0.4 mile to its intersection with Meadow Glen Way East; then

(14) Proceed south along Meadow Glen Way East for 0.46 mile to its intersection with Hidden Meadows Road; then

(15) Proceed southwest along Hidden Meadows Road for 0.73 mile to its intersection with Mountain Meadow Road; then

(16) Proceed southwest along Mountain Meadow Road for a total of 1.44 miles, crossing onto the San Marcos map and continuing along Mountain Meadow Road to the point where Mountain Meadow Road becomes known as Deer Springs Road just west of Interstate 15; then

(17) Proceed southwest along Deer Springs Road for 2.42 miles to its intersection with an unnamed road known locally as North Twin Oaks Valley Road; then

(18) Proceed south along North Twin Oaks Valley Road for 3.01 miles to its intersection with an unnamed road known locally as West Mission Road; then

(19) Proceed northwest along West Mission Road (which becomes South

Santa Fe Avenue) for a total of 3.9 miles to its intersection with Robelini Drive; then

(20) Proceed southwest along Robelini Drive (which becomes Sycamore Avenue) for a total of 0.55 mile to its intersection with State Highway 78; then

(21) Proceed northwest, then westerly along State Highway 78 for a total of 9.09 miles, crossing onto the San Luis Rey map and continuing westerly along State Highway 78 to its intersection with Interstate 5; then

(22) Proceed northwest along Interstate 5 for a total of 3.14 miles, crossing onto the Oceanside map and returning to the beginning point.

Signed: August 19, 2024.

**Mary G. Ryan,**  
Administrator.

Approved: August 20, 2024.

**Aviva R. Aron-Dine,**  
Acting Assistant Secretary (Tax Policy).  
[FR Doc. 2024-19578 Filed 8-29-24; 8:45 am]

**BILLING CODE 4810-31-P**

## DEPARTMENT OF THE INTERIOR

### Bureau of Ocean Energy Management

#### 30 CFR Parts 550 and 556

[Docket No. BOEM-2024-0037]

RIN 1010-AE23

#### Adjustment of Service Fees for Outer Continental Shelf Activities

**AGENCY:** Bureau of Ocean Energy Management, Interior.

**ACTION:** Final rule.

**SUMMARY:** The Department of the Interior (the Department or DOI), acting through the Bureau of Ocean Energy Management (BOEM), is amending its regulations related to service fees. This final rule adjusts for inflation the service fees due to BOEM for processing documents related to oil and gas activities on the Outer Continental Shelf (OCS).

**DATES:** This rule is effective November 1, 2024.

**ADDRESSES:** BOEM has established a docket for this action under Docket No. BOEM-2024-0037. All documents in the docket are listed on the <https://www.regulations.gov> website and can be found by entering the Docket No. in the "Enter Keyword or ID" search box and clicking "search".

**FOR FURTHER INFORMATION CONTACT:** Kelley Spence, Office of Regulations, BOEM, 45600 Woodland Road, Sterling,

Virginia 20166, at email address [Kelley.Spence@boem.gov](mailto:Kelley.Spence@boem.gov) or at telephone number (984) 298-7345; and Karen Thundiyil, Chief, Office of Regulations, BOEM, 1849 C Street NW, Washington DC 20240, at email address [Karen.Thundiyil@boem.gov](mailto:Karen.Thundiyil@boem.gov) or at telephone number (202) 742-0970.

Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services for contacting the contacts listed in this section. These services are available 24 hours a day, 7 days a week, to leave a message or question with the above individual. You will receive a reply during normal business hours. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

**SUPPLEMENTARY INFORMATION:** *Preamble acronyms and abbreviations.* Multiple acronyms are included in this preamble. While this list may not be exhaustive, to ease the reading of this preamble and for reference purposes, BOEM explains the following acronyms here:

ANCSA Alaska Native Claims Settlement Act  
 APA Administrative Procedure Act  
 BEA Bureau of Economic Analysis  
 BOEM Bureau of Ocean Energy Management  
 CFR Code of Federal Regulations  
 CRA Congressional Review Act  
 DOCDC Development Operations Coordination Document  
 DOI Department of the Interior (or Department)  
 DPP Development and Production Plan  
 E.O. Executive Order  
 EP Exploration Plan  
 FR Federal Register  
 NEPA National Environmental Policy Act  
 OCS Outer Continental Shelf  
 OIRA Office of Information and Regulatory Affairs  
 OMB Office of Management and Budget  
 PRA Paperwork Reduction Act  
 RFA Regulatory Flexibility Act  
 RUE Right-of-Use and Easement  
 SBREFA Small Business Regulatory Enforcement Fairness Act  
 UMRA Unfunded Mandates Reform Act  
 U.S.C. United States Code

*Background.* The service fees being adjusted in this rulemaking were last adjusted on August 26, 2022 (87 FR 52443). BOEM is adjusting these service fees to reflect inflation since the last update.

*Organization of this document.* The information in this preamble is organized as follows:

- I. General Information  
 A. Does this action apply to me?

B. Where can I get a copy of this document and other related information?

- II. Summary of the Rule  
 A. Background  
 B. Regulatory Amendments  
 III. Statutory and Executive Order Reviews  
 A. Administrative Procedure Act  
 B. Executive Order 12866: Regulatory Planning and Review, as Amended by Executive Order 14094: Modernizing Regulatory Review, and Executive Order 13563: Improving Regulation and Regulatory Review  
 C. Regulatory Flexibility Act (RFA)  
 D. Small Business Regulatory Enforcement Fairness Act (SBREFA)  
 E. Unfunded Mandates Reform Act (UMRA)  
 F. Executive Order 12630: Governmental Actions and Interference With Constitutionally Protected Property Rights  
 G. Executive Order 13132: Federalism  
 H. Executive Order 12988: Civil Justice Reform  
 I. Executive Order 13175: Consultation and Coordination With Indian Tribal Governments  
 J. Paperwork Reduction Act (PRA)  
 K. National Environmental Policy Act (NEPA)  
 L. Data Quality Act  
 M. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use  
 N. Congressional Review Act (CRA)

#### I. General Information

##### A. Does this action apply to me?

Entities potentially affected by this final action are holders of oil, gas, and sulfur leases and Right-of-Use and Easement (RUE) grants on the OCS.

##### B. Where can I get a copy of this document and other related information?

In addition to being available in the docket, BOEM will post an electronic copy of the documents related to this final action at: <https://www.boem.gov/regulations-and-guidance>.

#### II. Summary of the Rule

##### A. Background

BOEM's regulations at 30 CFR 550.125 and 556.106 provide the authority for BOEM to periodically adjust its service fees according to the Implicit Price Deflator for Gross Domestic Product by publication of a document in the **Federal Register**. BOEM derives its authority from the Independent Offices Appropriation Act of 1952, 31 U.S.C. 9701, as interpreted by Office of Management and Budget (OMB) Circular No. A-25 Revised (1993). That circular states: "When a service (or privilege) provides special benefits to an identifiable recipient beyond those that accrue to the general