

(3) Current year's storage and handling costs, beginning inventory, and current year's purchases, as defined in paragraph (d)(3)(i)(D)(2) of this section, do not include costs that are specifically described in § 1.263A-1(e)(3)(ii) or cost reductions described in § 1.471-3(e) as properly allocable only to property that has been sold or, for inventory property, deemed to be sold under the inventory cost flow assumption (such as first-in, first-out; last-in, first-out; or a specific-goods method) a taxpayer uses to identify the costs in ending inventory.

(E) * * *

(3) Current year's purchasing costs and current year's purchases, as defined in paragraph (d)(3)(i)(E)(2) of this section, do not include costs that are specifically described in § 1.263A-1(e)(3)(ii) or cost reductions described in § 1.471-3(e) as properly allocable only to property that has been sold or, for inventory property, deemed to be sold under the inventory cost flow assumption (such as first-in, first-out; last-in, first-out; or a specific-goods method) a taxpayer uses to identify the costs in ending inventory.

* * * * *

(f) *Effective/applicability date.* Paragraphs (d)(3)(i)(C)(3), (d)(3)(i)(D)(3), and (d)(3)(i)(E)(3) of this section apply for taxable years ending on or after the date these regulations are published as final regulations in the **Federal Register**.

Par. 6. Section 1.471-3 is amended by:

1. Adding paragraphs (e) and (g).
2. Designating the undesignated text following paragraph (d) as paragraph (f).

The additions read as follows:

§ 1.471-3 Inventories at cost.

* * * * *

(e) The amount of an allowance, discount, or price rebate a taxpayer earns by selling specific merchandise is a reduction in the cost (as determined under paragraph (a), (b), or (d) of this section) of the merchandise sold or deemed to be sold under the inventory cost flow assumption (such as first-in, first-out; last-in, first-out; or a specific-goods method) the taxpayer uses to identify the costs in ending inventory. This amount decreases cost of goods sold and does not reduce the inventory cost or value of goods on hand at the end of the taxable year.

* * * * *

(g) *Effective/applicability date.* Paragraph (f) of this section applies to taxable years ending on or after the date

these regulations are published as final regulations in the **Federal Register**.

Steven T. Miller,

Deputy Commissioner for Services and Enforcement.

[FR Doc. 2010-31597 Filed 12-16-10; 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-2010-0003; Notice No. 112; re: Notice Nos. 105 and 107]

RIN 1513-AB41

Proposed Establishment of the Pine Mountain-Mayacmas Viticultural Area; Comment Period Reopening

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

ACTION: Notice of proposed rulemaking; reopening of comment period.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau is reopening the comment period for Notice No. 105, which concerned a proposal to establish an American viticultural area having the name Pine Mountain-Mayacmas. This reopening of the comment period solicits comments from the public on issues that were raised in public comments received in response to Notice No. 105. Three specific issues which we seek comments on concern the proper name for the proposed viticultural area, the viticultural significance of a suggested alternative name for the viticultural area, and the propriety of expanding the boundary of the proposed viticultural area.

DATES: We must receive written comments on or before February 15, 2011.

ADDRESSES: You may send comments on this notice to one of the following addresses:

- *http://www.regulations.gov:* Use the comment form for this notice as posted within Docket No. TTB-2010-0003 on "Regulations.gov," the Federal e-rulemaking portal, to submit comments via the Internet;

- *Mail:* Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 14412, Washington, DC 20044-4412.

- *Hand Delivery/Courier in Lieu of Mail:* Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Suite 200-E, Washington, DC 20005.

See the Public Participation section of this notice for specific instructions and

requirements for submitting comments, and for information on how to request a public hearing.

You may view copies of all published notices and all comments received about this proposal within Docket No. TTB-2010-0003 at <http://www.regulations.gov>. A direct link to this docket is posted on the TTB Web site at <http://www.ttb.gov/wine/wine-rulemaking.shtml> under Notice No. 105. You also may view copies of all published notices, all supporting materials, and any comments we receive about this proposal by appointment at the TTB Information Resource Center, 1310 G Street, NW., Washington, DC 20220. Please call 202-453-2270 to make an appointment.

FOR FURTHER INFORMATION CONTACT:

Elisabeth C. Kann, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Suite 200-E, Washington, DC 20220; phone 202-453-2002.

SUPPLEMENTARY INFORMATION:

Petition History

The Alcohol and Tobacco Tax and Trade Bureau (TTB) received a petition from Sara Schorske of Compliance Service of America, prepared and filed on her own behalf and on behalf of local wine industry members, to establish the 4,600-acre "Pine Mountain-Mayacmas" American viticultural area in northern California. About two-thirds of the proposed viticultural area lies in the extreme southern portion of Mendocino County, with the remaining one-third located in the extreme northern portion of Sonoma County. The proposed Pine Mountain-Mayacmas viticultural area is totally within the multicounty North Coast viticultural area (27 CFR 9.30), and it overlaps the northernmost portions of the established Alexander Valley viticultural area (27 CFR 9.53) and the Northern Sonoma viticultural area (27 CFR 9.70).

In Notice No. 105, published in the **Federal Register** (75 FR 29686) on May 27, 2010, TTB described the petitioners' rationale for the proposed establishment of the Pine Mountain-Mayacmas viticultural area and requested comments on the proposal on or before July 26, 2010.

On July 16, 2010, TTB received a letter request from attorney Richard Mendelson on behalf of the Napa Valley Vintners (NVV), a wine industry trade association. The request explained that due to periodic scheduling of the NVV's committee and board of directors meetings, the group would be unable to meet the original July 26, 2010, comment deadline for Notice No. 105.

The letter therefore requested a 45-day extension to the comment period for Notice No. 105 to allow the NVV to complete and thoroughly vet its comments on the proposed viticultural area. In response to that request, on July 26, 2010, TTB published in the **Federal Register** (75 FR 43446) Notice No. 107 to extend the comment period for Notice No. 105 to September 9, 2010.

Comments Received

During the course of the original and extended comment period on Notice No. 105, TTB received and posted 85 comments from 70 groups and individuals; those comments may be viewed at the Regulations.gov Web site referred to under the **ADDRESSES** caption in this document. Commenters included 36 industry members and 34 non-industry individuals. Of the commenters, 54 supported, and 16 opposed, establishment of the Pine Mountain-Mayacmas viticultural area with the proposed name and boundary line. The comments in opposition to the proposal as published raised three issues that could warrant a change in the regulatory text proposed in Notice No. 105: (1) The appropriateness of the proposed Pine Mountain-Mayacmas name; (2) the viticultural significance of a suggested modified name for the proposed viticultural area; and (3) the inclusion of additional acreage within the boundary of the viticultural area.

With regard to the appropriateness of the Pine Mountain-Mayacmas name, some commenters questioned the “Mayacmas” portion of the name because “Mayacmas” is associated with the four counties of Napa, Sonoma, Lake, and Mendocino in northern California rather than just the smaller region within the proposed viticultural area boundary. A number of commenters supported use of the “Cloverdale Peak” name instead of “Mayacmas.” The following comments in response to Notice No. 105 stated opposition to the Pine Mountain-Mayacmas name: Nos. 41, 43, 44, 45, 48, 50, 53, 55, 56, 57, 59, 60, 63, 65, 76, 78, 79, 81, and 82. Comments that specifically supported the name change to “Pine Mountain-Cloverdale Peak” were as follows: Nos. 61, 62, 68, 69, 70, 71, 72, 73, 74, 75, 77, 80, 83, 84, and 85.

The comments supporting a modification of the name of the viticultural area also give rise to the companion issue of the viticultural significance of the modified name. The following comments addressed the viticultural significance of the “Pine Mountain-Cloverdale Peak” name: Nos. 61, 62, 68, 69, 71, 75, 77, 80, and 83.

Finally, one comment, No. 68, suggested that if “Pine Mountain-Cloverdale Peak” is adopted as the viticultural area name, an additional 500 acres along the northern border should be included within the boundary line, in order to encompass Cloverdale Peak. Another commenter suggested in comments 58 and 67 that an additional 40 acres along the southwest border be included within the boundary line.

Determination To Re-Open Public Comment Period

TTB reviewed all comments received in response to Notice No. 105 with reference to the original petition materials. We believe that the comment period for Notice No. 105, which extended from May 27, 2010 to September 9, 2010, was adequate to obtain comments on our initially proposed regulation. However, because of the potential affect on label holders if TTB were to adopt any of the changes proposed in the comments themselves, TTB has determined that it would be appropriate in this instance to re-open the comment period, for the specific purpose of obtaining further public comment on the three issues mentioned above that affect the original proposal, before taking any further regulatory action on this matter.

TTB invites comments on the use of “Cloverdale Peak” as a geographical name in conjunction with “Pine Mountain” to form the “Pine Mountain-Cloverdale Peak” viticultural area name. Furthermore, the Bureau invites comments on the viticultural significance of the full name “Pine Mountain-Cloverdale Peak” and on the viticultural significance of “Pine Mountain-Cloverdale,” “Cloverdale Peak,” and “Cloverdale” standing alone. As TTB pointed out in this regard in Notice No. 105, for a wine to be eligible to use a viticultural area name or other term of viticultural significance as an appellation of origin or in a brand name, 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 as an appellation of origin, and that name or other term of viticultural significance 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 of viticultural significance appears in another reference on the label in a misleading manner, the bottler would have to obtain approval of a new label.

Finally, TTB invites comments on whether the boundary line should be expanded as suggested in the comments.

Public Participation

Comments Invited

The specific purpose of this comment solicitation is to invite comments from interested members of the public on the three issues described in this document that were raised in public comments received in response to Notice No. 105. Please provide any available specific information in support of your comments. All comments previously submitted to TTB regarding Notice No. 105 will be given full consideration, so there is no need to resubmit such comments.

Submitting Comments

You may submit comments on this notice by using one of the following three methods:

- **Federal e-Rulemaking Portal:** You may send comments via the online comment form linked to this notice in Docket No. TTB-2010-0003 on “Regulations.gov,” the Federal e-rulemaking portal, at <http://www.regulations.gov>. A link to the docket is available under Notice No. 105 on the TTB Web site at <http://www.ttb.gov/wine/wine-rulemaking.shtml>. Supplemental files may be attached to comments submitted via Regulations.gov. For information on how to use Regulations.gov, click on the site’s Help or FAQ tabs.
- **U.S. Mail:** You may send comments via postal mail to the Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, P.O. Box 14412, Washington, DC 20044-4412.
- **Hand Delivery/Courier:** You may hand-carry your comments or have them hand-carried to the Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street, NW., Suite 200-E, Washington, DC 20005.

Please submit your comments by the closing date shown above in this notice. Your comments must reference this notice and Notice No. 105 and include your name and mailing address. Your comments also must be made in English, be legible, and be written in language acceptable for public disclosure. TTB does not acknowledge receipt of comments, and the Bureau considers all comments as originals.

If you are commenting on behalf of an association, business, or other entity, your comment must include the entity’s name as well as your name and position title. If you comment via Regulations.gov, please include the

entity's name in the "Organization" blank of the comment form. If you comment via postal mail, please submit your entity's comment on letterhead.

You may also write to the Administrator before the comment closing date to ask for a public hearing. The Administrator reserves the right to determine whether to hold a public hearing.

Confidentiality

All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or that is inappropriate for public disclosure.

Public Disclosure

On the Federal e-rulemaking portal, Regulations.gov, TTB will post, and the public may view, copies of all published notices and all comments received in response to those notices within Docket No. TTB-2010-0003. A direct link to that docket is available on the TTB Web site at <http://www.ttb.gov/wine/wine-rulemaking.shtml> under Notice No. 105. You may also reach Docket No. TTB-2010-0003 through the Regulations.gov search page at <http://www.regulations.gov>.

All posted comments will display the commenter's name, organization (if any), city, and State, and, in the case of mailed comments, all address information, including e-mail addresses. TTB may omit voluminous attachments or material that the Bureau considers unsuitable for posting.

You and other members of the public may view copies of all published notices, all related petitions, maps and other supporting materials, and all electronic or mailed comments TTB has received or will receive in response to this proposal by appointment at the TTB Information Resource Center, 1310 G Street, NW., Washington, DC 20220. You may also obtain copies at 20 cents per 8.5- x 11-inch page. Contact the TTB information specialist at the above address or by telephone at 202-453-2270 to schedule an appointment or to request copies of comments or other materials.

Drafting Information

Nancy Sutton and other members of the Regulations and Rulings Division drafted this notice.

Signed: December 10, 2010.

John J. Manfreda,
Administrator.

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DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID DoD-2010-OS-0135]

RIN 0790-AI67

32 CFR Part 174

Revitalizing Base Closure Communities and Addressing Impacts of Realignment

AGENCY: Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, DoD.

ACTION: Proposed rule.

SUMMARY: Economic Development Conveyances were created in amendments to the Base Closure and Realignment law in 1993, creating a new tool for communities experiencing economic dislocation from the closing of a major employer in the community. Congress recognized that the existing authority under the Federal Property and Administrative Services Act of 1949 (as amended and otherwise known as the Real Property Act) was not structured to deal with the unique challenges of assisting community economic recovery and job creation of such large installations, many with decaying or obsolete infrastructure and other redevelopment challenges. Section 2715 of Public Law 111-84 changed the authority of the Department of Defense to convey property to a local redevelopment authority (LRA) for purposes of job generation on a military installation closed or realigned under a base closure law, known as an Economic Development Conveyance (EDC). Under this revised authority, the Department is no longer required to seek to obtain fair market value for an EDC: An EDC may be for consideration at or below the estimated fair market value, including for no consideration. The law also now explicitly provides authority for the Department to be flexible regarding the form of consideration, including the authority to accept consideration in the form of revenue sharing or so-called "back-end" funding. (i.e., "The Secretary may accept, as consideration, a share of the revenues that the redevelopment authority receives from third-party buyers or lessees from sales and long-term leases of the conveyed property, consideration in kind (including goods and services), real property and improvements, or such other consideration as the Secretary considers appropriate.")

The revised language also provides that the Department's determination of the consideration may account for the

economic conditions of the local affected community and the estimated costs to redevelop the property.

This proposed regulation provides guidance to implement recent changes to the law and makes other improvements that encourage expedited property transfers for job creation that allow for the Department to obtain a share of the revenues obtained.

DATES: Written comments received at the address indicated below by February 15, 2011 will be accepted.

ADDRESSES: You may submit comments, identified by docket number and/or Regulatory Information Number (RIN) number and title, by any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Federal Docket Management System Office, 1160 Defense Pentagon, Room 3C843, Washington, DC 20301-1160.

Instructions: All submissions received must include the agency name and docket number or RIN for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: Robert Hertzfeld, (703) 604-6020.

SUPPLEMENTARY INFORMATION: The proposed rule implements these statutory changes and is also intended to enable the Military Departments to expedite the EDC process. Closed military bases represent a potential engine of economic activity and job creation for former host communities. When disposing of property using this method, the Military Departments should use the full breadth of the EDC authority to structure conveyances that respond to the job creation and redevelopment challenges of the individual community.

The new law no longer requires the Department to seek Fair Market Value. Accordingly, a transfer may be made below estimated fair market value or without consideration if the LRA agrees to reinvest sale or lease proceeds for not less than seven years and to take title to the property within a reasonable timeframe. As such, this regulation deletes the requirement for the Department to obtain an appraisal of the property as part of an EDC conveyance, including analysis of highest and best use, for that purpose. This regulation