

**OFFICE OF ALCOHOL AND TOBACCO**

**Vikki Rennecker** *Retires*

By Perky Ramrouth (415) 744-7011

Vikki Rennecker, Director of Industry Operations for the San Francisco Field Division, retired March 3, 2000, after 33 years of federal service. Vikki began her career in San Francisco as an ATF Specialist, and served as an analyst and supervisor in San Francisco. Her career continued in ATF's Bureau Headquarters as a Management Examiner, as Chief, Product Compliance Branch and as Chief, Alcohol Import-Export Branch. Vikki reports she truly enjoyed working for ATF. Vikki's successor will be Harriett Bobo, reporting June 18, 2000. Acting as the Director of Industry Operations until Ms. Bobo reports will be Sharon Hendee, the Division Operations Officer for the San Francisco Field Division. ■

**Technical Services Offices To Close**

By Norbert Hymel (202) 927-8200

The National Revenue Center (NRC) continues to assume greater responsibility for servicing the industry as the Technical Services Offices are phased out.

As of March 1st, the responsibility for 1,779 Wholesalers and Importers of Distilled Spirits, Wine or Malt Beverages in the states of New York and New Jersey went to the NRC. These permittees will now file ATF applications, correspondence, claims, and other related documents with the NRC in Cincinnati, Ohio. The Technical Services Office in Philadelphia formerly serviced them. Wholesalers and importers of all other states serviced by Philadelphia will be serviced by the NRC effective May 1, 2000.

Also, 344 wineries in Northern California which were being serviced by the Technical Services Office in San Francisco were transferred to the NRC on March 1st. Letters were sent to affected industry members to announce the changes.

Within the next few months there will be more changes. Service to the rest of the wineries in Northern California will transfer from San Francisco to the NRC in increments on June 1, 2000, and September 1, 2000. ■

Questions or suggestions relating to the Alcohol & Tobacco Newsletter should be directed to the Editor by fax at (202) 927-7756 or by mail at the following address: Bureau of ATF, 650 Massachusetts Avenue, NW, Room 8110, Attention: Donna Smith, Editor, Alcohol & Tobacco Newsletter, Washington, D.C. 20226.

**Health Claims Hearings Set**

By Jim Ficaretta (202) 927-8210

On February 28, 2000, we published a notice in the Federal Register (Notice No. 892) announcing the dates and locations of five public hearings as follows:

City	Date	Location
Washington, D.C.	April 25-27	Washington Convention Center, 900 Ninth St, NW
San Francisco, CA	May 23-25	Embassy Suites San Francisco Airport, 150 Anza Blvd., Burlingame, CA
Atlanta, GA	June 27-29	Embassy Suites Hotel at Centennial Olympic Park, 311 Marietta St, NW
Chicago, IL	July 25-27	Radisson Hotel & Suites Chicago, 160 East Huron St.
Dallas, TX	August 22-24	Radisson Hotel & Suites, 2330 West Northwest Hwy.

The number of days for each hearing may change depending on the volume of requests to testify. Persons desiring to make oral comments at the hearings should submit a letter, on or before April 7, 2000, notifying ATF of their intent to comment. ATF will accept written (or e-mail) comments until September 29, 2000. To date, we have received approximately 475 comments. ■

**Re-opening of Period for Tobacco Products Rules**

By Dan Hiland (202) 927-8210

On December 22, 1999, ATF published several notices of proposed rulemakings related to the new tobacco regulations that went into effect on January 1, 2000. The comment period for these notices closed on February 22, 2000. During the comment period, ATF received several requests to extend the comment period an additional 30 days for Notices 887 and 888. Interested parties stated that they would need additional time to prepare a full response for their company or client. ATF has agreed to honor these requests, and we will reopen the comment period for an additional 30 days. The affected notices are: Notice No. 887, Implementation of Public Law 105-33, Section 9302, Relating Tobacco Importation Restrictions, Markings, Minimum Manufacturing Requirements, and Penalty Provisions; and Notice No. 888 Implementation of Public Law 105-33, Section 9302, Requiring the Qualification of Tobacco Products Importers. ■

## Flavored Wine Comment Period Closes March 29

By Ed Reisman (202) 927-8140 and Jim Ficaretta (202) 927-8210

On December 28, 1999, ATF published in the Federal Register a notice (Notice No. 890) proposing to amend the regulations to create a new standard of identity for flavored wine products. Under the proposal, such products must be labeled as "flavored wine product" together with a truthful and adequate statement of composition. The designation and the statement of composition must appear in the same size, style, and color typeface on the brand label. At a minimum, the statement of composition must identify class and/or type; identify added flavoring materials; identify added coloring materials; include a reference to sugar; include a reference to water; include a reference to wine spirits, except for flavored wine products made from a base of a class 6 wine and imported flavored wine products.

ATF also proposed to revise the meaning of the term "brand label" for wine. As proposed, the brand label is the principal display panel that is most likely to be displayed, presented, shown, or examined under normal and customary conditions of display for retail sale, and any other label appearing on the same side of the container as the principal display panel. The brand label appearing on a cylindrical surface is that 40 percent of the circumference, which is most likely to be displayed, presented, shown or examined under normal and customary conditions of display for retail sale.

The comment period for Notice No. 890 closes on March 29, 2000. To date, we have received six comments.

COLAs for flavored wine products bearing a varietal, semi-generic, etc., name are being qualified, "Approved pending the outcome of rulemaking regarding Other Than Standard Wine or Wine Specialty Products." ■

## Product Compliance Branch Reorganizes and Changes Name

By Susan Stewart (202) 927-8140

Beginning on March 27, 2000, Product Compliance Branch will be known as the Alcohol Labeling and Formulation Branch, or ALFB for short. This name change is made in conjunction with an entire reorganization of the branch. The two most significant changes our customers will notice is that we will no longer be assigning work alphabetically. Our new process will involve a pre-sort of all incoming work items by level of difficulty, and teams of specialists will be assigned to complete the work. The other big change is we have established a Customer Service Team who will be the main point of contact for all of our customers. They will be equipped to answer most of our customer's questions. We do ask that you "pardon our dust" while we implement these changes. If you have any questions about this new process, please call any member of the branch at (202) 927-8140. ■

## ATF Suspends Distiller's Permit

By Evelyn Wilson (202) 927-3580

The Bureau of Alcohol, Tobacco and Firearms (ATF) recently announced, through a press release, that the distillery basic permit issued to Jenkins Spirits Corporation will be suspended for 90 days due to the company's involvement in illegally selling liquor to the St. Regis Mohawk Indian Tribe, which is located in northern New York. Jenkins admitted that they violated the conditions of the Federal Alcohol Administration Act and their ATF basic permit by illegally introducing liquor into Native American Reservations. The ATF ruling held that Jenkins Spirits Corporation violated the Webb Kenyon Act and the 21<sup>st</sup> Amendment, by shipping liquor into New York State in violation of State Law and the Internal Revenue Code by failing to keep accurate sales records. The corporation also pled guilty to the Federal criminal charge of aiding and abetting the unlawful introduction of liquor into Native American Reservations and will pay a \$100,000 fine. The company was charged with selling over 73,000 cases of liquor to individuals on reservations and it was also alleged that they exercised willful blindness and conscious disregard of the fact that the liquor was being lawfully introduced into the reservation. In 1996, Jenkins Spirits Corporation paid ATF a \$60,000 Offer-In-Compromise settlement for alleged similar charges. The suspension of Jenkins Spirits Corporation distillery basic permit represents the continued and intensified enforcement by ATF to take action against the ATF regulated industry members involved in illegal alcohol and tobacco diversion activity. ■

### Technical Tip

## Adding Materials to Distilled Spirits

By Dave Bateman (816) 221- 4036

This sounds simple. If a distiller produces a specially denatured alcohol there are approved formulas which require specific approved denaturants. If a non-beverage product is produced, a formula is required to be submitted. But, if you export a product is there any requirement to identify additions to the alcohol, which meet foreign guidelines? Yes, there is. There are two requirements: in the distilled spirits regulations and in the Federal Administration Act. If a distiller wants to blend, mix, purify, refine, compound or treat spirits in any manner which results in a change of character, composition, class or type of the spirits; they must obtain an approved formula on ATF Form 5110.38. This can be found in 27 C.F.R. 19.378 and 27 C.F.R. 5.26-5.27. So, before a distiller exports alcohol, or sells domestically, any additions to the alcohol that changes its character must be reviewed to insure these additives are approved by ATF before manufacture and sale. ■