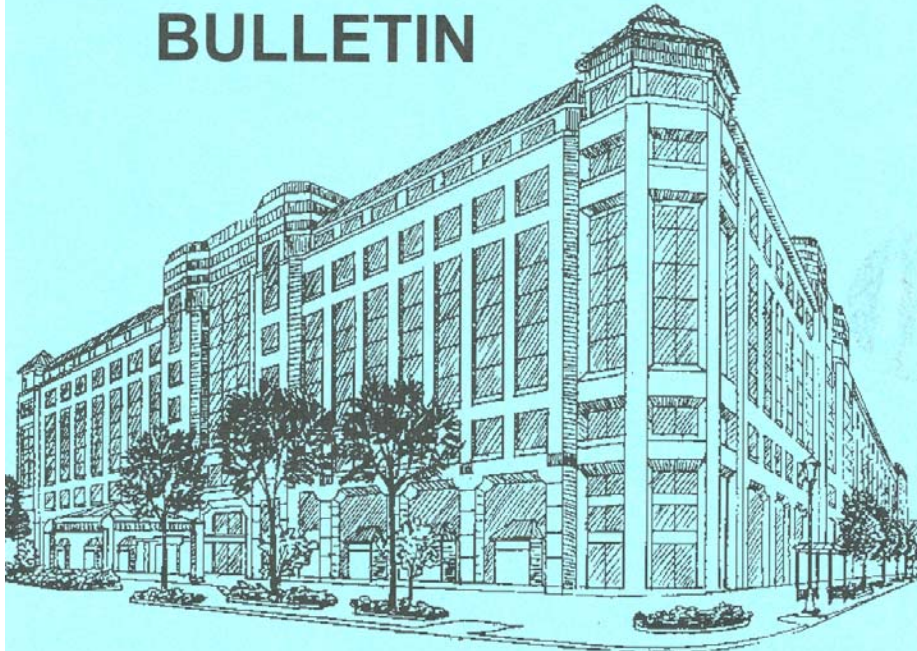


BUREAU OF ALCOHOL,
TOBACCO AND FIREARMS



QUARTERLY BULLETIN



2001

Volume 4—Sept. 16 - December 31
DEPARTMENT OF THE TREASURY

QUARTERLY BULLETIN

**Bureau of Alcohol,
Tobacco and
Firearms**

Department of the Treasury

CONTAINS:

**Treasury Decisions, Rulings, and
Procedural and Administrative
Matters Concerning Alcohol,
Tobacco, Firearms,
and Explosives**

NOTE

Comments concerning the contents of this issue may be directed to the Bureau of Alcohol, Tobacco and Firearms, Office of Alcohol and Tobacco, Washington, DC 20226.

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Preface

The Alcohol, Tobacco and Firearms Quarterly Bulletin is the authoritative instrument of the Bureau for announcing official rulings and procedures, and for publishing Treasury decisions, legislation, administrative matters, and other items of general interest. It incorporates into one publication matters of the Bureau that are of public record.

The Bureau publishes rulings and procedures to promote uniform application of the laws and regulations it administers. Rulings interpret the requirement of laws and regulations and apply retroactively unless otherwise indicated. Procedures, how-ever, establish methods for performing operations to comply with such laws and regulations.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department regulations, but they may be used as precedents. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and procedures must be considered. Concerned parties are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

Definitions

Rulings and procedures that have an effect on previous rulings or procedures use the following defined terms to describe the effect:

AMPLIFIED is used in a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth in the new ruling. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified.

CLARIFIED is used in a situation where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

DECLARED OBSOLETE is used in a situation where a previously published ruling is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are declared obsolete because of changes in law or regulations. A ruling may also be declared obsolete because its substance has been included in regulations subsequently adopted.

MODIFIED is used in a situation where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, but the new ruling holds that it applies to both A and B, the prior ruling is modified.

REVOKED is used in a situation where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling. Rulings that have been revoked have no further effect.

SUPERSEDED is used in a variety of situations. The term may be used where the new ruling amplifies a prior ruling if both the position taken in the prior ruling and the position as amplified are contained in the text of the new ruling. The term may be similarly used where the new ruling clarifies or modifies a prior ruling. The term may also be used where, for the purpose of updating references, the new ruling does nothing more than restate the substance and situation of a prior ruling. For example, a ruling issued under former statutes and regulations (e.g. the 1939 Code—26 CFR Part 225) may be reissued under the current statutes and regulations (e.g. the 1954 Code—Part 201). Lastly, the term may be used when a series of situations, names, etc. that were previously published over a period of time are republished as a single ruling.

SUPPLEMENTED is used in situations in which a list, such as a list of curios and relics, is published in a ruling and that list is expanded by adding further items in subsequent rulings. After the original ruling has been supplemented several items, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

ABBREVIATIONS:

The following abbreviations appear in material published in the Bulletin:

A, B, C, etc. — The name of individuals

ATF — Bureau of Alcohol, Tobacco and Firearms

ATFQB — Alcohol, Tobacco and Firearms Quarterly Bulletin

ATF Proc. — ATF Procedure

ATF Rul. — ATF Ruling

C.B. — Cumulative Bulletin

Ct.D. — Court Decision

CFR — Code of Federal Regulations

D.O. — Delegation Order

E.O. — Executive Order

FAA Act — Federal Alcohol Administration Act

F.R. — Federal Register

M, N, X, Y, Z, etc. — The names of corporations, places and businesses, according to context

Pub. L. — Public Law

Rev. Proc. — Revenue Procedure

Rev. Rul. — Revenue Ruling

Stat. — Statutes at Large

T.D. — Treasury Decision

T.D.O. — Treasury Department Order

U.S.C. — United States Code

x and y — used to represent certain numbers and when used with the word “dollars”
to represent sums of money

Treasury Decisions

Subpart A – ALCOHOL

TITLE 27—ALCOHOL, TOBACCO PRODUCTS AND FIREARMS—CHAPTER I—BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY

Addition of New Grape Variety Names for American Wines; Cunoise and St. Laurent

27 CFR Part 4

[T.D. ATF--466]

RIN: 1512-AC26

AGENCY: Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury.

ACTION: Treasury decision, final rule.

SUMMARY: The Bureau of Alcohol, Tobacco, and Firearms (ATF) is adding two new names, "Cunoise" and "St. Laurent," to the list of prime grape variety names for use in designating American wines.

EFFECTIVE DATE: Effective November 26, 2001.

FOR FURTHER INFORMATION CONTACT:

Jennifer Berry, Bureau of Alcohol, Tobacco and Firearms, Regulations Division, 111 W. Huron Street, Room 219, Buffalo, NY 14202-2301; telephone (716) 434-8039.

SUPPLEMENTARY INFORMATION:

Background

Under 27 CFR 4.23 (b), a wine bottler may use a grape variety name as the designation of a wine if not less than 75 percent of the wine (51 percent in circumstances detailed in § 4.23(c)) is derived from that grape variety. Under § 4.23(d), a bottler may use two or more grape variety names as the designation of a wine if:

- All grapes used to make the wine are the labeled varieties;
- The percentage of the wine derived from each grape variety is shown on the label; and
- If labeled with multiple appellations, the percentage of the wine derived from each varietal from each appellation is shown on the label.

Treasury Decision ATF-370 (61 FR 522), January 8, 1996, adopted a list of grape variety names that ATF has determined to be appropriate for use in designating American wines. The list of prime grape names and their synonyms appears at § 4.91, while additional alternative grape names temporarily authorized for use are listed at § 4.92.

ATF has received petitions proposing that new grape variety names be listed in § 4.91. Under § 4.93 any interested person may petition ATF to include additional grape varieties in the list of prime grape names. Information with a petition should provide evidence of the following:

- Acceptance of the new grape variety;
- The validity of the name for identifying the grape variety;
- That the variety is used or will be used in winemaking; and
- That the variety is grown and used in the United States.

For the approval of names of new grape varieties, the petition may include:

- A reference to the publication of the name of the variety in a scientific or professional journal of horticulture or a published report by a professional, scientific or winegrowers' organization;
- A reference to a plant patent, if patented; and
- Information about the commercial potential of the variety, such as the acreage planted and its location or market studies.

Section 4.93 also places certain eligibility restrictions on the approval of

grape variety names. A grape variety name will not be approved:

- If the name has previously been used for a different grape variety;
- If the name contains a term or name found to be misleading under § 4.39; or
- If the name of a new grape variety contains the term "Riesling."

The Director reserves the authority to disapprove the name of a new grape variety developed in the United States if the name contains words of geographical significance, place names, or foreign words which are misleading under § 4.39. The Director will not approve the use of a grape variety name that is misleading.

Rulemaking

Counoise Petition

Tablas Creek Vineyard in Paso Robles, California, petitioned ATF proposing the addition of the name "Counoise" to the list of prime grape variety names approved for the designation of American wines. Counoise is a red varietal originally from the Rhône region of France, where it has traditionally been a component of Châteauneuf-du-Pape.

The petitioner submitted the following published references to Counoise to establish its acceptance as a grape and the validity of its name:

- Cépages et Vignobles de France, Volume II, by Pierre Galet, 1990, pp. 106-107.
- Catalogue of Selected Wine Grape Varieties and Clones

Cultivated in France, published by the French Ministry of Agriculture, Fisheries and Food, 1997, pp. 67 & 216.

- *Traité General de Viticulture Ampelographie, Volume II*, by P. Viala and V. Vermoral, 1991, pp. 78 - 80.
- *Guide to Wine Grapes*, Oxford University Press, 1996, by Jancis Robinson, p. 61.

The first three references are scientific articles that discuss the grape's origin, cultivation, and ampelography (the study and classification of grapevines). The *Guide to Wine Grapes*, intended for the general reader, discusses the cultivation of Counoise in the Rhône region and notes that it is "one of the more rarefied ingredients in red Châteauneuf-du-Pape."

Tablas Creek Vineyard stated that it imported the Counoise plant into the USDA station in Geneva, New York, in 1990. The plant was declared virus free in 1993 and shipped bare-root to Tablas Creek Vineyard in Paso Robles, California in February 1993. The winery multiplied, grafted and started planting Counoise in 1996.

The petitioner stated that the Counoise grape is currently grown and used in the United States in winemaking. It reported that in 1999 and 2000, it shipped several orders for Counoise grafted vines, own-root plants and bud-wood to vineyards in California, Washington, and Arizona. When ATF contacted some of these vineyards, they reported that the plants are doing well and that they plan to produce wine from the resulting grapes.

In addition, the petitioner stated that Counoise has enormous commer-

cial potential in California. The variety is easy to graft and moderately vigorous. It is well adapted to most California regions, ripening fairly late in the cycle, after Grenache but before Mourvèdre and Cabernet Sauvignon. Tablas Creek has had three crops off their 3.5 acre planting. The winery reported that the 1998 harvest had a brix of 23.6 with a pH of 3.4, while the 1999 harvest had a brix of 26.9 with a pH of 3.4. The petitioner further stated that the wine is well-colored and rich, with excellent aromatics and spice.

St. Laurent Petition

Mr. Robin Partch of Northern Vineyards Winery in Stillwater, Minnesota, petitioned ATF for the addition of the name "St. Laurent" to the list of prime grape variety names approved for the designation of American wines. St. Laurent is a red *Vitis vinifera* grape originally from France, but now grown mainly in central Europe, especially Austria.

The petitioner submitted several published references to St. Laurent as evidence of its acceptance and name validity, including the following:

- *The Oxford Companion to Wine*, 1st edition, edited by Jancis Robinson, 1994, pp. 839-840.
- *Production of Grapes and Wine in Cool Climates*, by David Jackson and Danny Schuster, 1994, pp. 105-106.
- *Vines, Grapes and Wines*, by Jancis Robinson, 1986, p. 221.

According to these references, St. Laurent is a deeply colored grape with a thick skin, which makes it disease resis-

tant. It buds early and is thus susceptible to spring frosts, but it also ripens early.

The petitioner offered the following evidence that the St. Laurent grape is grown and used in the U.S. for wine-making. According to the petitioner, one commercial grower in Minnesota, a member of the Minnesota Winegrowers Cooperative, planted about ¼ an acre of St. Laurent in 1995. The petitioner has made wine from the 1999 crop and is pleased with the results. The grower reported that the grape's disease-resistance and tendency to ripen early make it suitable for cooler climates with a short growing season.

The petitioner reported that St. Laurent plants are also being grown in the collection of the University of Minnesota. This was confirmed by Peter Hemstad, a research viticulturist at the University's Horticulture Research Center, who reported that he has made a good quality red wine from the university's grapes. Mr. Hemstad stated that he expects St. Laurent to become more widely planted in the U.S., especially in cooler climates. He further stated that he would recommend St. Laurent to growers in cooler climate states such as Minnesota, Michigan, and New York.

Notice No. 915

Based on the evidence submitted by the petitioners, ATF published Notice 915 on April 17, 2001, proposing to add the names "Counoise" and "St. Laurent" to the list of approved names in § 4.91. ATF received two comments in response to the notice. One was from the vineyard manager of the Viticulture and Enology Department at the University of California at Davis, who noted that Counoise has been in the

university's collections since 1975. The other comment, from a London wine merchant, discussed the marketability of Counoise and St. Laurent wines in the export market.

After reviewing the evidence and comments, ATF has decided that sufficient evidence has been provided to satisfy the requirements under § 4.93. ATF is therefore amending § 4.91 to include the names "Counoise" and "St. Laurent."

Regulatory Analyses and Notices

Does the Paperwork Reduction Act Apply to This Final Rule?

The provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this final rule because no requirement to collect information is imposed.

How Does the Regulatory Flexibility Act Apply to This Final Rule?

It is hereby certified that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation will permit the use of the grape varietal names "Counoise" and "St. Laurent." No negative impact on small entities is expected. No new requirements are proposed. Accordingly, a regulatory flexibility analysis is not required.

Is This a Significant Regulatory Action as Defined by Executive Order 12866?

This is not a significant regulatory action as defined by Executive Order

12866. Therefore, a regulatory assessment is not required.

Drafting Information

The principal author of this document is Jennifer Berry, Regulations Division, Bureau of Alcohol, Tobacco and Firearms.

List of Subjects in 27 CFR Part 4

Advertising, Consumer protection, Customs duties and inspections, Imports, Labeling, Packaging and containers, Wine.

Authority and Issuance

Accordingly, 27 CFR part 4, Labeling and Advertising of Wine, is amended as follows:

Paragraph 1. The authority citation for part 4 continues to read as follows:

Authority: 27 U.S.C. 205.

Para. 2. Section 4.91 is amended by adding the names "Counoise" and "St. Laurent," in alphabetical order, to the list of prime grape names, to read as follows:

§ 4.91 List of approved prime names.

The following grape variety names have been approved by the Director for use as type designations for American wines. When more than one name may be used to identify a single variety of grape, the synonym is shown in parentheses following the prime name. Grape variety names may appear on labels of

wine in upper or in lower case, and may be spelled with or without the hyphens or diacritic marks indicated in the following list.

* * * * *

Counoise

* * * * *

St. Laurent

* * * * *

Signed: July 11, 2001.

Bradley A. Buckles,
Director.

Approved: August 23, 2001.

Timothy E. Skud,
Acting Deputy Assistant Secretary
(Regulatory, Tariff & Trade
Enforcement).

(Filed with the Office of the Federal Register on 9-26-01 at 8:45 a.m. as FR Doc. 01-24053; published in the Federal Register on 9-27-01 at 66 FR 49279.)

TITLE 27—ALCOHOL, TOBACCO
PRODUCTS AND FIREARMS—
CHAPTER I—BUREAU OF ALCO-
HOL, TOBACCO AND FIREARMS,
DEPARTMENT OF THE TREASURY

**Realignment of the Alexander Valley
and Dry Creek Valley Viticultural
Areas**

27 CFR Part 9

[T.D. ATF- 468]

RIN: 1512-AAO7

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Treasury

ACTION: Treasury decision, final rule.

SUMMARY: This Treasury decision realigns a boundary line between the Alexander Valley and the Dry Creek Valley viticultural areas, located in northern Sonoma County, California. This realignment is a result of a petition submitted by E. & J. Gallo Winery.

EFFECTIVE DATE: Effective December 3, 2001.

FOR FURTHER INFORMATION CONTACT: Nancy Sutton, Specialist, Regulations Division (San Francisco, CA), Bureau of Alcohol, Tobacco and Firearms, 221 Main Street, 11th Floor, San Francisco, CA 94105-1906; telephone (415) 947-5192.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas:

What is ATF's Authority to Establish a Viticultural Area?

ATF published Treasury Decision ATF-53 (43 FR 37672, 54624) on August 23, 1978. This decision revised the regulations in 27 CFR part 4, Labeling and Advertising of Wine, to allow the establishment of definitive viticultural areas. The regulations allow the name of an approved viticultural area to be used as an appellation of origin on wine labels and in wine advertisements.

On October 2, 1979, ATF published Treasury Decision ATF-60 (44 FR 56692), which added 27 CFR part 9, American Viticultural Areas, for the listing of approved American viticultural areas, the names of which may be used as appellations of origin.

What is the Definition of an American Viticultural Area?

An American viticultural area is a delimited grape-growing region distinguishable by geographic features. Viticultural features such as soil, climate, elevation, topography, etc., distinguish it from surrounding areas.

What is Required to Establish a Viticultural Area?

Any interested person may petition ATF to establish a grape-growing region as a viticultural area. The petition should include:

- Evidence that the name of the proposed viticultural area is locally and/or nationally known as referring to the area specified in the petition;
- Historical or current evidence that the boundaries of the viticultural area are as specified in the petition;
- Evidence relating to the geographical characteristics (climate, soil, elevation, physical features, etc.) that distinguish the viticultural features of the proposed area from surrounding areas;
- A description of the specific boundaries of the viticultural area, based on features that can be found on United States Geological Survey (U.S.G.S.) maps of the largest applicable scale; and

- A copy (or copies) of the appropriate U.S.G.S. map(s) with the boundaries prominently marked.

•
Rulemaking Proceeding

Realignment of the Alexander Valley and Dry Creek Valley Viticultural Areas Petition

The Bureau of Alcohol, Tobacco and Firearms (ATF) received a petition from E. & J. Gallo Winery proposing the revision and realignment of a common boundary line between the Alexander Valley and the Dry Creek Valley viticultural areas, located in northern Sonoma County, California. This petition proposed realigning approximately 410 acres from the Dry Creek Valley area to the Alexander Valley area. The original petitions for these areas incorporated U.S.G.S. mapping section lines to define the boundary of this realignment area. To re-define the boundary line, the petitioner used geographic and climatic features.

The petitioner indicated that a small section of the boundary between the established Alexander Valley viticultural area, 27 CFR 9.53, and Dry Creek Valley viticultural area, 27 CFR 9.64, should be modified. The petition stated that the original boundary ignored distinctive geographic features, climatic differences and it now divides several vineyards. The original boundary line, in sections 4 and 5 of T.10 N., R.10 W. of the Geyserville Quadrangle, California, Sonoma Co., 7.5 Minute Series (Topographic), 1955, U.S.G.S. map, was defined primarily by the mapping section lines. According to the petitioner, there were no vineyards along this boundary section at the times the boundary line was petitioned and

approved, in 1983 for Dry Creek Valley and 1984 for Alexander Valley.

The petitioner provided a Geyserville Quadrangle, California, Sonoma Co., 7.5 Minute Series (Topographic), 1955, U.S.G.S. map as evidence of a significant ridgeline along the proposed boundary line. This ridgeline defines the watershed dividing point between the Dry Creek Valley and Alexander Valley viticultural areas. With the original boundary line, both the Dutcher Creek and Gill Creek watersheds are in the Dry Creek Valley area but drain into different viticultural areas. The Gill Creek watershed, to the east of the ridgeline, drains east and crosses the boundary line into the Alexander Valley area. The Dutcher Creek Planning Watershed, to the west of the ridgeline, drains into Dry Creek, staying in the Dry Creek Valley area. The realignment will put the Gill Creek watershed into the Alexander Valley area, where it drains, and will keep the Dutcher Creek watershed within the Dry Creek Valley area.

The petitioner provided a chart of growing degree days for five vineyards in the Dry Creek Valley and Alexander Valley viticultural areas. This chart indicates that the Dry Creek Valley viticultural area is generally cooler than sites in the Alexander Valley viticultural area. The climate of the realigned area more closely reflects the warmer Alexander Valley than the cooler Dry Creek Valley.

Notice of Proposed Rulemaking

A Notice of Proposed Rulemaking, Notice No. 910, was published in the Federal Register on February 5, 2001 (66 FR 8925), requesting comments from all interested persons concerning the realignment of these viticultural

areas be received by April 6, 2001. ATF received no comments concerning this proposal.

Regulatory Analyses and Notices

Does the Paperwork Reduction Act Apply to This Final Rule?

The provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this rule because no requirement to collect information is imposed.

How Does the Regulatory Flexibility Act Apply to This Final Rule?

These regulations will not have a significant economic impact on a substantial number of small entities. ATF does not wish to give the impression that by approving the realignment of a boundary line between the Alexander Valley and Dry Creek Valley viticultural areas it is endorsing wine produced in the area. The realignment of these two viticultural areas merely allows the wineries in these areas to more accurately describe the origin of their wines to consumers, and helps consumers identify the wines they purchase. Thus, any benefit derived from the use and reputation of a viticultural area name is the result of the proprietor's own efforts and consumer acceptance of wines from that area.

The final rule is not expected (1) to have significant secondary, or incidental effects on a substantial number of small entities, or (2) to impose, or otherwise cause a significant increase in the reporting, recordkeeping, or other compliance burdens on a substantial number of small entities. No new requirements are imposed.

Accordingly, a regulatory flexibility analysis is not required.

Is This a Significant Regulatory Action as Defined by Executive Order 12866?

It has been determined that this regulation is not a significant regulatory action as defined by Executive Order 12866. Therefore, a regulatory assessment is not required.

Drafting Information

The principal author of this document is Nancy Sutton, Regulations Division, Bureau of Alcohol, Tobacco, and Firearms.

List of Subjects in 27 CFR Part 9

Wine.

Authority and Issuance

Title 27, Code of Federal Regulations, part 9, American Viticultural Areas, is amended as follows:

PART 9—AMERICAN VITICULTURAL AREAS

Paragraph 1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205

Subpart C – Approved American Viticultural Areas

Par. 2. Section 9.53 is amended by revising paragraph (c)(6) and removing and reserving paragraph (c)(7) as follows:

§ 9.53 Alexander Valley.

* * * * *

(c) Boundaries. * * *

(6) Then southeasterly in a straight line approximately 11,000 feet (closely following the ridge line) to the northwest corner of Section 10, T. 10 N., R.10 W. on the Geyserville Quadrangle map;

(7) [Reserved]

* * * * *

Par. 3. Section 9.64 is amended by revising paragraphs (c) introductory text and (c)(1) to read as follows:

§ 9.64 Dry Creek Valley.

* * * * *

(c) Boundaries. The Dry Creek Valley viticultural area is located in north central Sonoma County, California. From the beginning point, lying at the intersection of latitude line 38 degrees 45 minutes and the northwest corner of Section 5, T. 10 N., R. 10 W. on the "Geyserville Quadrangle" map, the boundary runs—

(1) Southeasterly in a straight line approximately 11,000 feet (closely following the ridge line) to the northeast corner of Section 9, T. 10 N., R. 10 W.;

* * * * *

Signed: July 27, 2001.

Bradley A. Buckles,
Director.

Approved: August 31, 2001.

Timothy E. Skud,

*Acting Deputy Assistant Secretary
(Regulatory, Tariff & Trade
Enforcement).*

(Filed with the Office of the Federal Register on 10-3-01 at 8:45 a.m. as FR Doc. 01-24903; published in the Federal Register on 10-4-01 at 66 FR 50564.)

TITLE 27—ALCOHOL, TOBACCO PRODUCTS AND FIREARMS—
CHAPTER I—BUREAU OF ALCOHOL, TOBACCO AND FIREARMS,
DEPARTMENT OF THE TREASURY

Hard Cider, Semi-Generic Wine Designations, and Wholesale Liquor Dealers' Signs (97-2523)

27 CFR Parts 4, 19, 24, 194, 250 and 251

[T.D. ATF-470 Re: T.D. ATF-398, Notice No. 859, Notice No. 869, T.D. ATF-418, Notice No. 881 and T.D. ATF-430]

RIN 1512-AB71

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Final rule (Treasury decision).

SUMMARY: This rule finalizes temporary regulations related to semi-generic designations on wine labels and wholesale liquor dealers' signs. This rule also finalizes some of the temporary regulations concerning hard cider, and amends others.

DATES: Effective date: January 25, 2002. Compliance date: Compliance with the amendments to hard cider

labeling requirements in 27 CFR 4.21 and 24.257(a) is not mandatory until May 27, 2002.

FOR FURTHER INFORMATION

CONTACT: Marjorie D. Ruhf, Regulations Division, 650 Massachusetts Avenue, NW., Washington, DC 20226; (202) 927-8202; or e-mail: mdruhf@atfhq.atf.treas.gov.

SUPPLEMENTARY INFORMATION:

Background

This final rule implements some of the provisions of the Taxpayer Relief Act of 1997, Pub. L. 105-34, specifically the sections that amended the Internal Revenue Code (26 U.S.C., "the IRC") to:

- create a wine excise tax category for hard cider (sec. 908),
- list semi-generic designations for wine (sec. 910), and
- repeal the requirement for wholesale dealers in liquors to post signs (sec. 1415).

The definition of hard cider in Public Law 105-34 was amended by section 6009 of the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, as we will discuss later.

On August 21, 1998, ATF issued a temporary rule, T.D. ATF-398 (63 FR 44779), to implement various sections of Public Law 105-34. On the same day, ATF issued a notice of proposed rulemaking, Notice No. 859 (63 FR 44819), inviting comments on this temporary rule for a 60 day period. In response to requests from the industry, ATF reopened the comment period for an additional 30 days on November 6,

1998, by Notice No. 869 (63 FR 59921). We will discuss our proposals, the public comments, and our decisions below.

Temporary Rule, Comments and Decision on Semi-generic Designations

Section 910 of Public Law 105-34 amended 26 U.S.C. 5388 by adding a new subsection (c), Use of semi-generic designations, which generally parallels the language of 27 CFR 4.24 on the same subject, but places the existing list of semi-generic designations outside the discretion of the Secretary.

Since the IRC regulations concerning wine labeling appear in 27 CFR 24.257, we amended that regulation to incorporate the wording of 26 U.S.C. 5388, concerning the use of semi-generic wine designations. Additionally, we incorporated the standards of identity for wines under 27 U.S.C. 205 by reference in this section. Finally, we placed a cross-reference to this new rule in § 4.24.

Since the rules for use of semi-generic designations have been made part of the IRC, the rules apply to all wines, including wines that contain less than 7 percent alcohol by volume and to wines sold only in intrastate commerce.

The use of semi-generic designations on wine labels was the subject of two comments. Peter M. Brody of Ropes & Gray, writing on behalf of the Institut National des Appellations d'Origine (INAO) objected to "entrenching" the U.S. policy of allowing use of the names champagne, chablis, burgundy and sauternes, on wines made outside France. Jean-Christophe Paille, Counselor for Agriculture of the Ambassade de France aux Etats-Unis, made the same objection. However, these objections were to the

underlying statute and not to the regulatory changes made as a result. Therefore, we are adopting the language of the temporary rule in this final regulation.

Temporary Rule, Comments and Decision on Wholesale Dealers' Signs

Section 1415 of Public Law 105-34 repealed the requirement for wholesale dealers in liquor to post signs identifying their premises and made conforming changes to sections of the law which referenced that requirement. In the temporary rule, ATF amended the Liquor Dealers' regulations by removing §§ 194.239 through 194.241, which relate to this requirement. This change received no comments, so we are adopting the language of the temporary rule in this final regulation.

Hard Cider

The Taxpayer Relief Act of 1997, Pub. L. 105-34, was enacted on August 5, 1997. Section 908 added a new tax class (6) for wine, called "hard cider," to 26 U.S.C. 5041 and imposed a new rate of tax on hard cider as follows:

On hard cider [which is a still wine] derived primarily from apples or apple concentrate and water, containing no other fruit product, and containing at least one-half of 1 percent and less than 7 percent alcohol by volume, 22.6 cents per wine gallon.

The phrase in brackets was added by section 6009 of the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, enacted July 22, 1998, and effective as if it were part of Pub. L. 105-34.

In the temporary rule, ATF added a definition of hard cider to the wine regulations and made other changes to the wine production and labeling regulations. In associated Notice Number 859, ATF invited comments on the definition of hard cider established in the temporary rule. We noted there were numerous traditional ways of making fermented cider, some of which may not fit the definition of hard cider provided in the temporary rule. We invited comments, including citations of standard references on cider making, on whether adjustments to the definition of hard cider are warranted.

The portion of the temporary rule related to cider generated 48 comments on our definition of cider and the labeling rules. In particular, many commenters expressed concern that the labeling rules for hard cider in T.D. ATF-398 did not allow appropriate designation of their products. Therefore, on September 27, 1999, ATF published T.D. ATF-418 (64 FR 51896) postponing the labeling compliance date for the rules in T.D. ATF-398 for one year. At the same time, we published Notice No. 881 (64 FR 51933) to solicit comments on alternative labeling rules. ATF subsequently published T.D. ATF-430 (65 FR 57734) postponing the labeling compliance date until January 31, 2001. Our proposals and the public comments on both the original temporary rule and the later notice related only to labeling will be summarized and discussed below as background for this final rule.

Tax Rate and Credit Information: Temporary Rule, Comments and Decisions

Public Law 105-34 created a new

tax rate that applied to hard cider removed from bond on or after October 1, 1997. This law also amended the small producer's wine tax credit allowed by 26 U.S.C. 5041(c) to provide for a 5.6 cent credit on hard cider removed by small producers. This credit has the effect of reducing the net tax paid on hard cider by a small domestic producer to 17 cents, the equivalent of the lowest tax available to domestic producers for still wine under 14 percent alcohol by volume (\$1.07 tax less \$0.90 credit). As with the full 90 cent credit applicable to other wines, the hard cider credit of 5.6 cents per gallon is reduced by 1 percent (\$.00056 per gallon) for each thousand gallons of wine over 150,000 gallons which are produced in a year. The full tax rate is reached at the

250,000 gallon annual production level. We amended 27 CFR 24.278, which implements the tax credit for small domestic producers, to reflect the change.

Commenter Jeffrey House of California Cider Company, Inc. noted that "Hard cider is marketed like beer and merchandised next to beer. It is fermented like wine but at less than half the volume of alcohol. It is unfair and illogical that a small beer producer is allowed up to 1.8 million gallons before a new tax bracket and a cider mill that produces...hard apple/pear cider is only allowed 100,000 before a very substantial tax change."

26 U.S.C. 5041(b)(6)	Temporary 27 CFR 24.10 "hard cider"
a still wine	(same)
derived primarily from apples or apple concentrate and water	primarily from apples or apple concentrate and water (apple juice, or the equivalent amount of concentrate reconstituted to the original brix of the juice prior to concentration, must represent more than 50 percent of the volume of the finished product)
containing no other fruit product	containing no other fruit product nor any artificial product which imparts a fruit flavor other than apple
containing at least one-half of 1 percent and less than 7 percent alcohol by volume.....	(same)
(no provision)	having the taste, aroma, and characteristics generally attributed to hard cider, and sold or offered for sale as hard cider and not as a substitute for any other alcohol product.

Mr. House correctly notes that the reduced tax rate for small domestic brewers applies to the first 60,000 31-gallon barrels per year (1.86 million gallons), whereas the small domestic wine producer's tax credit applies only to the first 100,000 gallons per year. Mr. House's comment relates to a distinction that exists in the law, so we are unable to change the regulations. No other comments related directly to either the tax rate or the credit provisions, so we are adopting these provisions in the final rule without any change.

Changes Related To Wine and Flavor Credit: Temporary Rule, Comments and Decisions

In T.D. ATF-398, we reworded the regulations related to the wine and flavor

credit allowed against distilled spirits tax under 26 U.S.C. 5010. We made these changes to clarify that the new still wine category of hard cider was not eligible for the wine and flavor credit. No comments were received on these changes, so they are adopted in the final rule.

Definition of Hard Cider

ATF took the statutory definition of "hard cider" eligible for the new tax rate and placed it in the regulations. We added detail and clarification as follows:

Each element of the regulatory definition was the subject of comment.

Ten commenters, all distributors of cider and other alcohol beverages, specifically advocated adopting the Washington State definition of cider, which they quoted as:

Hard cider means table wine that contains not less than one-half of one percent of alcohol by volume and not more than seven percent of alcohol by volume and is made from normal alcoholic fermentation of the juice of sound ripe apples and pears. Hard cider includes, but is not limited to flavored, sparkling, or carbonated cider and cider from condensed apple or pear must.

Other commenters addressed only specific elements of the definition. We will summarize the comments and our decision for each element separately.

"Still" - Temporary Rule, Comments and Decision

First, the regulatory definition specifies that hard cider is a still wine, as stated in 26 U.S.C. 5041(b)(6). The commenters supporting ATF adoption of similar rules to the Washington State definition noted that it allowed carbonation of cider. In addition, e-mail commenter Dan Burick expressed support for a modest amount of carbonation in hard cider, equivalent to the carbonation in microbrews. ATF is precluded from even considering such a change, since the statute limits the application of the hard cider tax rate to still wine. In this final rule, we continue to specify that hard cider is a still wine. The law defines still wine as wine that contains

not more than 0.392 gram of carbon dioxide per hundred milliliters of wine.

"Primarily from Apples" - Temporary Rule, Comments and Decision

We interpreted the statutory phrase "derived primarily from apples or apple concentrate and water" to mean that apple juice, or the equivalent amount of concentrate reconstituted to the original brix of the juice prior to concentration, must represent more than 50 percent of the volume of the finished product. We note the Washington State definition, supported by ten commenters, does not contain a requirement for a minimum percentage of apple juice, as we did in our temporary rule. When we set a threshold for apple juice content as part of the regulatory definition of hard cider, we did so in an effort to implement the statutory requirement that hard cider be made "primarily from apples." Although one commenter stated that he believed 95% apple juice should be the minimum, we recognize that one traditional method of making hard cider involves diluting apple wine (approximately 12% alcohol) with juice, concentrate and water, or other non-alcoholic ingredients to a final strength of 6 to 7 % alcohol. We also consulted dictionary definitions of the word "primarily", which yielded synonyms such as "mainly" "chiefly," and "for the most part."

Several other commenters objected to any use of concentrate in production of hard cider; however, the statutory definition of hard cider specifically allows the use of concentrate. In all other wine regulations, reconstituted concentrate is treated the same as unconcentrated juice.

Several commenters stated that 50% was too high a requirement for

apple juice. Nicholas Bradstock of the UK National Association of Cider Makers, stated that a "parallel exists with beer where the characterising ingredient is malt, but the malt levels may often be at less than 50% of the extract material in beer."

In view of the comments on both sides of the question, we consulted the legislative history. When they introduced S. 475, the bill that eventually became the hard cider tax, Senator James Jeffords of Vermont noted it was "designed to increase opportunities for the apple industry in the United States," and Senator Patrick Leahy of Vermont noted he had "received letters from officials at state agriculture departments from across the nation -- Arizona, Connecticut, Georgia, Maine, Massachusetts, New Hampshire, New York, Pennsylvania, Vermont and Virginia -- supporting the taxing of draft cider at the beer rate because this change would allow apple farmers in their States to reap the benefits of an expanded culled apple market." That expressed intent, together with the choice of the word "primarily" in the version of the law that was finally enacted, leads us to adopt the definition of "primarily" in the temporary rule, unchanged, in this document.

*"Containing No Other Fruit Product" –
Temporary Rule, Comments and
Decision*

The Act defined hard cider as "containing no other fruit product." In the regulatory definition, ATF interpreted that to mean, "containing no other fruit product nor any artificial product which imparts a fruit flavor other than apple." In the accompanying notice, we acknowledged that some

cider makers were experimenting with apple ciders flavored with other fruits, much as craft brewers experiment with different ingredients, including fruit. However, the statutory language expressly precludes the addition of any other fruit product to hard cider.

The Washington State definition recommended as a model by ten commenters allows apple or pear juice as a base and includes flavored cider. In addition to those commenters, 21 commenters stated they believed fruit flavors should be allowed in hard cider. One commenter, Cheryl Lau, of Transportation, Inc., submitted letters from Senators James Jeffords and Patrick Leahy of Vermont and Representative Richard Neal of Massachusetts, all of whom sponsored bills to allow cider its own tax rate, and from former Senator Bob Dole. These letters were originally sent to ATF before the issuance of the temporary rule. In response to the publication of the temporary rule and the associated notice, we also received comments concerning flavored cider from Senator Harry Reid of Nevada and Representative Michael D. Crapo of Idaho. These legislators expressed concern that ATF was too restrictive in its interpretation of the statute. They stated that they believed a fermented apple cider could contain a minor amount of some other fruit flavor yet retain its cider character and remain eligible for the hard cider tax rate. Senators Jeffords and Leahy, in the April 23, 1998, letter submitted by Ms. Lau, said they "hope [ATF] will adopt a definition of 'hard cider' which does not bar the addition of post-fermentation fruit flavorings." Representative Crapo expressed concern on behalf of American

cidermakers because he believed ATF's regulatory definition of hard cider would favor imports of traditional all-apple cider at the expense of the vitality of the American industry. He notes that the restrictive definition of cider "is at odds with the historical nature of cidermaking in the U.S." He cites the book *The Art of Cider Making* by Paul Correnty, as an example: "Raspberries have always held a special place in the cellars and casks of cidermakers." We did not receive any comments from legislators expressing the opposite view.

Other commenters who favor allowing fruit flavors in hard cider included cidermakers, distributors, a State legislator (Don Perata of the California Assembly), and a publisher (Thomas E. Dalldorf, Sr. of Celebrator Beer News). Mr. Dalldorf noted the omission of fruit flavored ciders "would adversely affect producers and consumers alike." Some of the producers and distributors commenting on this issue noted that cider has the same alcohol content as beer and is generally marketed in competition with beer. Fruit-flavored beers are taxed at the same rate as conventional beers (\$0.584 per gallon), yet if cider producers add flavors to their cider, their tax would rise from \$0.226 to the "table wine" rate (\$1.07 per gallon).

Other commenters did not discuss fruit flavors in general, but said they believed some pear juice should be allowed in cider. Jean-Christophe Paille, Counselor for Agriculture of the Ambassade de France aux Etats-Unis, noted that French regulations authorize the use of pear must in apple cider "for purpose of gustative quality." Nicholas Bradstock of the National Association of Cider Makers (NACM, representing

UK cider makers) and Jeffrey House of California Cider Company expressed the view that perry (wine derived from pears) should be given equal tax treatment with cider since the two products are so similar. Only one commenter, Brian Black of Black & Fagan Cider Co., supported the complete prohibition on other fruit flavors, saying "wine coolers exist for that category." Representative Neal, in his March 17, 1998, letter to ATF, supported the idea of fruit flavored ciders, but noted the need for a distinction between an eligible product marketed as cider and ineligible products marketed as "a fruit flavored wine cooler which was produced with an apple wine base."

Although the law specified "no other fruit product," ATF interpreted this to mean no artificial fruit flavors, either. Our basis for making that decision was the legislative history of the Taxpayer Relief Act of 1997, Public Law 105-34, contained in the General Explanation of Tax Legislation Enacted in 1997 (the "Blue Book") published by the Joint Committee (JCS-23-97, Government Printing Office ISBN 0-16-055897-2), which said,

Once fermented, eligible hard cider may not be altered by the addition of other fruit juices, flavor, or other ingredient that alters the flavor that results from the fermentation process. Thus, for example, cider fermented from apples, but which has raspberry flavor added to it prior to bottling and marketing to the public, will not be eligible for the 22.6 cents-per-gallon tax rate.

Further, we do not believe it was Congress's intent to provide a tax incentive for use of artificial ingredients in preference to real ones.

Finally, H.P. Bulmer North America suggested, in its comment, that ATF has the authority to make a *de minimis* rule that would allow a small amount of fruit flavor in hard cider. They cited court cases recognizing administrative discretion inherent in a statutory scheme to allow *de minimis* rules despite the absence of such an allowance in the statute, and to allow a *de minimis* maximum in accordance with congressional intent even when the statute is absolute.

In the present case, ATF does not have discretion to set *de minimis* exceptions to the statutory definition of hard cider, which proscribes the use of any fruit product other than apples. First, the Blue Book reveals Congress' expressed intent to limit the fruit component of hard cider to apples as reflected in its statement that hard cider must be "fermented solely from apples or apple concentrate and water, containing no other fruit product" and that post fermentation processing may not include the addition of other fruit juices or flavors prior to bottling and still be eligible for the 22.6 cents-per-gallon rate. In addition, when Congress revisited the hard cider provisions in Public Law 105-206, the Internal Revenue Service Restructuring and Reform Act, it declined to allow other fruit products despite the fact that this very issue had been raised. These factors present a statutory scheme indicating that Congress intended that hard cider would not be composed of any fruit product other than apples. Finally, we note that the examples cited

in the Bulmer comment differ from our situation in that the fruit flavorings, while small as a percentage of the total product, would change the character of the product enough so that the product would be described as, for instance, "raspberry flavored apple cider," and not "apple cider." We are adopting this part of the temporary rule without change.

Other Flavors in Hard Cider

Mr. House expressed concern that his cyser (apple cider mixed with honey) or his mulled cider (flavored with spices) might not be eligible for the hard cider tax rate. Flavoring materials will only affect the tax classification of hard cider if they are derived from or impart the flavor of a fruit other than apple. Products that are otherwise eligible for the hard cider tax rate may be flavored with honey or spices, to use Mr. House's examples, without affecting the tax. We did not make any regulatory changes related to this question.

Wine Treating Materials

Although we did not address other wine ingredients in the regulatory language of the temporary rule, we asked in the notice if the prohibition on "other fruit products" should be interpreted to restrict use of authorized wine treating materials or sugars that were derived from fruits other than apple. We noted that some wine treating materials, such as tannin or citric acid, may be derived from fruit other than apples. Mr. Daniels of Green Mountain Cidery, Stephen Swift, Export Manager of Matthew Clark Brands, Ltd., Paul Thorpe of E. & J.

Gallo Winery and Mr. Bradstock of NACM, expressed support for continued acceptance of citric acid and sugars as wine treating materials and not as fruit additives. Mr. Thorpe noted that, despite their names, "citric" acid and "fructose" sugar may be derived from sources other than fruit. Scott Benson, an independent cider distributor, said he thought if fruit flavored ciders were not eligible for the cider tax rate, then citric acid and fruit derived sugars should not be allowed in cider, either. After reviewing these comments, we have decided not to restrict the use of approved wine treating materials in cider. We believe it would be impractical to make a distinction between fruit derived wine treating materials and the same materials derived from other sources, unless there were other circumstances that indicated the producer was using these materials as flavorings. Used as directed in 27 CFR part 24, authorized wine treating materials would not impart a fruit flavor to wine. However, we note that some ciders are made under approved formulas rather than under the rules for production of natural wine in subparts F and L of part 24. In approving such formulas, ATF may allow the use of wine treating materials at a level beyond the amount necessary to stabilize or adjust the acidity of a natural wine. While there is no limit on the amount of wine treating materials that may be used in a formula wine, hard cider may not contain treating materials in amounts sufficient to impart a fruit flavor other than apple and still be taxed as hard cider. For example, if a cider contained more citric acid than the amount allowed under subpart L, and was labeled as "citrus flavored," the product would be clas-

sified for tax purposes as a still wine under 14% alcohol by volume rather than a hard cider. As we will discuss in more detail in the background material on labeling, we will allow the use of the term "hard cider" on labels of products that do not belong to the "hard cider" tax class, as long as other information on the label allows us to determine the tax class.

Alcohol Content: Temporary Rule, Comment and Decision

ATF's regulatory definition of hard cider included the phrase "containing at least one-half of 1 percent and less than 7 percent alcohol by volume." This portion of the definition comes directly from the law. Commenter Greg Kushmerek, who identified himself as someone who has made hard cider in the past, noted it would be difficult for a small producer or hobbyist to control fermentation to prevent the cider from exceeding 7% abv. The "less than 7 percent" limit was imposed by statute. Home winemakers may produce any type of wine, subject to the limitations in 24.75, Wine for personal or family use, so they will not be affected by the 7% alcohol limit for hard cider. For commercial producers, the tolerances as to alcohol content already in wine regulations at 24.257 will apply to cider as well. This portion of the definition is adopted without change from the temporary rule.

"Characteristics Generally Attributed To Hard Cider" - Temporary Rule, Comments and Decision

ATF concluded the definition by stating that hard cider must have the

taste, aroma and characteristics generally attributed to hard cider, and that it must be sold or offered for sale as hard cider. In its comment, Green Mountain Cidery noted that "there are currently no agreed subjective 'taste, aroma or characteristic' profiles within the industry for cider." We recognize that hard cider may be made and presented a number of different ways. The limitations were added to insure that products eligible for the hard cider tax rate would not be confused with other types of beverages that are subject to different tax rates, such as malt-based "coolers."

Conclusions on Definition of Hard Cider

Senator Leahy, when he introduced S. 475, said,

Draft cider is one of the oldest categories of alcoholic beverages in North America. Back in Colonial times, nearly every innkeeper served draft cider to his or her patrons during the long winter. In fact, through the 19th Century, beer and draft cider sold equally in the United States.

Recently, draft cider has made a comeback in the United States and around the world. Our tax law, however, unfairly taxes draft cider at a much higher rate than beer despite the two beverages sharing the same alcohol level and consumer market. This tax treatment, I believe, creates an artificial barrier to the growth of draft cider. Our legislation will correct this inequity.

In his comment on the temporary rule, Richard G. Burge of Wyder's Cider said, "We fail to understand how

it is that our hard ciders will not only be unable to enjoy the lower tax rate, but will also be completely shut out of the very product category that we helped to establish. . . . We believe the rules should promote the category, not choke it...."

The exact wording of the law precludes ATF from making the changes in the definition requested by so many commenters.

Labeling of Hard Cider - Temporary Rule, Revised Notice, Comments and Decision

In T.D. ATF-398, ATF added temporary regulations for labeling hard cider. We changed both the IRC and the Federal Alcohol Administration (FAA) Act labeling rules to require use of the term "hard cider" on products that are taxable as hard cider, and prohibit use of that term on any other wine. We set a compliance date of February 17, 1999 (six months after publication), to allow time for producers to change labels to comply with the temporary rule. In associated Notice No. 859, ATF requested comments on the labeling rules. The comments we received on the labeling portion of our temporary rule indicated that we had imposed an unintended and unnecessary burden.

We learned there are producers who make ciders that are not eligible for the new tax rate, but who have been using the term "hard cider" to describe their products. Their products include apple wines containing 7 percent or more alcohol by volume and ciders that contain less than 7 percent alcohol by volume with other fruit flavors. Since such products are excluded from the definition of hard cider, we said in the temporary rule they were not entitled to be called "hard cider" on labels. The

producers and other interested persons expressed concern that the temporary rule would create consumer confusion, since the word "hard" suggests "hard liquor" or higher alcohol content, rather than the meaning we gave it. Some producers of wines eligible for the hard cider tax rate stated they prefer to use a phrase like "draft cider" or "fermented cider" on their labels and in their marketing, for the same reason.

ATF based the requirement in the temporary rule on 26 USC 5368(b), which gives the Secretary of the Treasury general authority to issue labeling regulations that require evidence of compliance with tax rules. The Secretary of the Treasury also has authority under the FAA Act, 27 U.S.C. 205(e), to prescribe regulations to insure that wines with 7 percent alcohol by volume or more are labeled or marked to ". . . provide the consumer with adequate information as to the identity and quality of the products. . ."

When we drafted the hard cider labeling sections of the temporary rule, we did not intend to cause a hardship for the industry or consumers. We intended to maintain the current system of identifying the tax class of wine by information on the label. The function of ATF's marking requirement is to insure proper identification of the wine for tax purposes, and to inform consumers of the identity of the product. From the comments, we saw that the term "hard cider" has broader meaning in the industry and among consumers than the definition given in the regulations.

In light of these comments, we reviewed our need for tax identification on the labels of wines. Although much of our work takes place on wine premises where supplemental information is available to establish the

tax rate of a given lot of wine, we believe there are times when we must be able to tell the tax rate by looking at the label alone. However, we believed it would be possible to meet our tax identification needs and still allow greater flexibility for the industry. On September 27, 1999, we issued T.D. ATF-418 [64 FR 51896] to postpone the effective date of the cider labeling rules until September 27, 2000, and associated Notice No. 881 [64 FR 51933] proposing alternative labeling rules and requesting public comments.

Specifically, we proposed to remove the amendment we made to § 4.21(e)(5) of the FAA Act wine labeling regulations. Part 4 only applies to wines that contain 7%-24% alcohol by volume. As amended, that section prohibited the use of the term "hard cider" on any wine with 7% or more alcohol by volume. We intended to avoid confusion between these higher alcohol wines and wines in the new hard cider tax class by this prohibition. After reviewing the comments, we find this precaution unnecessary. We believe, since hard cider with 7% or more alcohol by volume will be marked with the alcohol content, it will be easy to distinguish the product from a lower-alcohol hard cider eligible for the hard cider tax rate. Therefore, we will allow use of the term "hard cider" on products over 7% alcohol by volume. Second, we are amending the IRC marking requirements in part 24. When the new tax class of hard cider was established, we amended the labeling rules to substitute the phrase "hard cider" for the word "wine" to identify the tax class. On IRC wine labels, no single item of information gives the tax class. On conventional wines, the word "wine"

and the alcohol content (modified by the word "carbonated" or "sparkling" if either applies) identify the tax class.

For products under 7% alcohol by volume, we want to differentiate between ciders which are eligible for the hard cider tax rate and those which are taxable as still wine containing not more than 14% alcohol by volume. Some producers have marketed eligible products as "draft cider," "fermented cider" or "apple cider" and do not wish to use the term "hard cider" on labels. Some producers have marketed mixed-fruit ciders or low-alcohol ciders that are otherwise excluded from the current definition of hard cider under the name "hard cider" and do not wish to rename their products.

Other commenters asked questions that indicated labeling requirements were not clear in the temporary rule:

- Does ATF require that the words "hard cider" must be inserted in the brand name?
- Where on the label must the required information appear?
- What size type should be used for the required information?
- Do the FAA Act labeling rules and standards of fill apply to hard cider?

To address these concerns, we proposed several changes to 27 CFR 24.257. First, we proposed to adopt the minimum and maximum type size requirements of 27 CFR 4.38 because they are already in use by the wine industry for higher alcohol products. We did not propose to specify placement of information required in § 24.257. Products with 7 percent or more alcohol by volume will still be

subject to the FAA Act rules covering placement.

We proposed to remove the requirement that the word "wine" or the words "carbonated wine" must be "part of the brand name or in a phrase in direct conjunction with the brand name." Information on the kind of wine may be anywhere on the label. We also proposed to add some alternative labeling terms to reflect the industry practice of calling products "cider" instead of "wine" on these labels. We did not propose to require or restrict the use of words such as "draft", "fermented" or "hard" to identify products in the tax class of hard cider. We proposed, where the words on the label leave doubt as to the tax class, that cider makers must include a reference to the tax class by section of the law. For example, hard cider must contain more than 50 percent apple juice. If a cider contains less than 50 percent apple juice, it is taxed as a still wine under 14 percent alcohol by volume, but it may still be called cider. In order to make it clear that this cider is taxed at \$1.07 instead of \$0.226, we will require that the label show "tax class 5041(b)(1) IRC" or an equivalent phrase. This wording is similar to the wording of 27 CFR 25.242, on marking nontaxable cereal beverages. We requested industry and consumer comments on these proposals.

In response to Notice No. 881, ATF received four comments. Roger Daniels of Green Mountain Cidery wrote to support the proposed changes, but objected to use of specific examples in the proposed rule that used the temporary rule's definition of hard cider, which they believe should be changed. Since we have not changed the definition, we have retained the examples. Mr. Daniels also

reiterated his request that we clarify when FAA Act labeling rules apply and when they do not. We have amended the final rule to include this information. We have also added a reference to the Health Warning Statement, which is required for any alcohol beverage over 1/2 percent alcohol, including cider. Richard G. Burge of Wyder's Cider supported our proposal to allow more open use of the word cider, but objected to our proposal that the tax class should be added to the label. He said the added tax information "is not meaningful to the consumer and can be confusing." Mr. Bradstock of NACM said: "Ciders qualifying as Hard Cider for tax purposes might be described in other terms,... and if the tax class is not clear from the manner of labelling [sic] then this might be confirmed by quoting the tax class on the label ... with or without a supplementary declaration of hard cider." Stephen Swift of Matthew Clark Brands, Ltd., a cider maker from the U.K., wrote to express support for the NACM comment.

All the commenters supported ATF's proposal to allow more flexibility in naming hard cider and related products. Three of the four also accepted ATF's suggestion to supplement the product name with the IRC quote when the name and alcohol content alone do not give enough information to establish the tax class.

In response to Mr. Burge's objection to the use of the IRC cite as tax class identification, it is our responsibility under the Internal Revenue Code to identify taxable commodities and collect the tax. We have revised the requirement for the law cite to emphasize that it only applies in cases where it is impossible to identify the tax class from existing label

information. In the notice, we requested suggestions for other ways of identifying the tax class, and received no suggestions. We have decided to adopt the proposed changes in this final rule with the revisions noted.

Conforming Changes on Hard Cider

We amended the definition of "eligible wine" that appears in parts 19, 250 and 251 to clarify that wine in the new tax category of hard cider is not eligible for wine and flavor credit if used in a distilled spirits product. We did not receive any comments on this change, so amendments to 27 CFR 19.11, 250.11 and 251.11 in the temporary rule are adopted in this final rule without change.

Transition to New Rules

While the labeling changes in this final rule are effective 60 days after publication in the Federal Register for new labels, we recognize that it is not practical to enforce the new requirements immediately for products already on the market. Therefore, we will allow a six-month period to change labels as necessary. The new requirements will become mandatory six months after publication in the Federal Register.

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply. Moreover, any revenue effects of this rulemaking on small businesses flow directly from the underlying statute. Likewise, any secondary or incidental effects, and any reporting, record-

keeping, or other compliance burdens flow directly from the statute. Pursuant to 26 U.S.C. 7805(f), the temporary regulation was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business. That office did not comment on the regulation.

Nine commenters mentioned potential economic harm coming from the exclusion of fruit flavored ciders from the tax category "hard cider." As noted earlier, we believe the wording of the statute does not allow for any other interpretation, thus, any economic effects flow directly from the statute.

Executive Order 12866

It has been determined that this temporary rule is not a significant regulatory action as defined by Executive Order 12866. Therefore, a regulatory assessment is not required.

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) and its implementing regulations, 5 CFR part 1320, do not apply to this final rule because no new collection of information is contained in these regulations. Some of the amended regulatory sections contain collections of information that were previously approved by the Office of Management and Budget (OMB). Although these sections are being amended, the changes are not substantive or material.

Drafting Information

Marjorie Ruhf, of the Regulations Division, Bureau of Alcohol, Tobacco and Firearms, drafted this document.

Other personnel of ATF and the Treasury Department participated in developing the document.

List of Subjects

27 CFR Part 4

Advertising, Consumer protection, Customs duties and inspection, Imports, Labeling, Packaging and containers, Wine.

27 CFR Part 24

Administrative practice and procedure, Authority delegations, Claims, Electronic fund transfers, Excise taxes, Exports, Food additives, Fruit juices, Labeling, Liquors, Packaging and containers, Reporting and recordkeeping requirements, Research, Scientific equipment, Spices and flavoring, Surety bonds, Taxpaid wine bottling house, Transportation, Vinegar, Warehouses, Wine.

Authority and Issuance

Accordingly, the temporary rule amending chapter I of title 27, Code of Federal Regulations, which was published at 63 FR 44779, is adopted as a final rule with the following changes:

PART 4--LABELING AND ADVERTISING OF WINE

Par. 1. The authority citation for 27 CFR part 4 continues to read as follows:

Authority: 27 U.S.C. 205, unless otherwise noted.

Par. 2. Section 4.21 is amended by revising the third sentence of paragraph (e)(5) to read as follows:

§ 4.21 The standards of identity.

* * * * *

(e) Class 5; fruit wine * * *

(5) * * * Fruit wines which are derived wholly (except for sugar, water, or added alcohol) from apples or pears may be designated "cider" and "perry," respectively, and shall be so designated if lacking in vinous taste, aroma, and characteristics. * * *

* * * * *

PART 24--WINE

Par. 3. The authority citation for 27 CFR part 24 continues to read as follows:

Authority: 5 U.S.C. 552(a); 26 U.S.C. 5001, 5008, 5041, 5042, 5044, 5061, 5062, 5081, 5111-5113, 5121, 5122, 5142, 5143, 5173, 5206, 5214, 5215, 5351, 5353, 5354, 5356, 5357, 5361, 5362, 5364- 5373, 5381-5388, 5391, 5392, 5511, 5551, 5552, 5661, 5662, 5684, 6065, 6091, 6109, 6301, 6302, 6311, 6651, 6676, 7011, 7302, 7342, 7502, 7503, 7606, 7805, 7851; 31 U.S.C. 9301, 9303, 9304, 9306.

Par. 4. Section 24.4 is amended by adding a reference to part 16 between the references to parts 9 and 18, to read as follows:

§ 24.4 Related Regulations.

* * * * *

27 CFR Part 16 - Alcoholic Beverage Health Warning Statement

* * * * *

Par. 5. Section 24.257 is amended by revising paragraph (a) to read as follows:

Sec. 24.257 Labeling wine containers.

(a) The proprietor must label each bottle or other container of beverage wine prior to removal for consumption or sale. The minimum type size for information required by this section is: 2 millimeters for containers of more than 187 milliliters and 1 millimeter for containers of 187 milliliters or less. The maximum type size for alcohol content statements is 3 millimeters unless the container is larger than 5 liters. The label must be securely affixed and show:

- (1) The name and address of the wine premises where bottled or packed;
- (2) The brand name, if different from above;
- (3) The alcohol content as percent by volume or the alcohol content stated in accordance with 27 CFR part 4. For wine with less than 7 percent alcohol by volume stated on the label there is allowed an alcohol content tolerance of plus or minus .75 percent by volume; and
- (4) The kind of wine, shown as follows:
 - (i) If the wine contains 7 percent or more alcohol by volume and must have label approval under 27 CFR part 4, the kind of wine is the class, type, or other designation provided in that part.
 - (ii) If the wine has an exemption from label approval, an adequate statement of composition may be used

instead of the class and type in 27 CFR part 4.

(iii) If the wine contains less than 7 percent alcohol by volume, an adequate statement of composition may be used instead of the class and type in 27 CFR part 4. The rules in 27 CFR part 4 pertaining to label approval and standards of fill do not apply to wine under 7 percent alcohol by volume. The rules in 27 CFR part 16 requiring a Health Warning Statement do apply to all wines over 1/2 percent alcohol. Except for the rules noted in this section, labeling of wines under 7 percent alcohol is under the jurisdiction of the Food and Drug Administration.

(iv) The statement of composition must include enough information to identify the tax class when viewed with the alcohol content. First, the wine should be identified by the word "wine," "mead," "cider" or "perry," as applicable. If the wine contains more than 0.392 grams of carbon dioxide per 100 milliliters, the word "sparkling" or "carbonated," as applicable, must be included in the statement of composition. If the statement of composition leaves doubt as to the tax class of the wine, the wine must be marked "tax class 5041(b)(1) IRC" or an equivalent phrase. For example, a still wine marked "wine" and "16 percent alcohol by volume" is adequately marked to identify its tax class as 5041(b)(2). A still wine marked "hard cider" and "9 percent alcohol by volume" is adequately marked to identify its tax class as

5041(b)(1). A still wine marked "raspberry hard cider" and "9 percent alcohol by volume" is adequately marked to identify its tax class as 5041(b)(1). A still wine eligible for the hard cider tax rate marked "cider" or "hard cider" and "6 percent alcohol by volume" is adequately marked to identify its tax class as 5041(b)(6). However, if a still wine that is not eligible for the hard cider tax rate is marked "cider" or "hard cider" and "6 percent alcohol by volume" it is not adequately marked to identify its tax class as 5041(b)(1), so the tax class must be shown.

(5) The net content of the container unless the net content is permanently marked on the container as provided in 27 CFR part 4.

* * * * *

Signed: July 13, 2001.

Bradley A. Buckles,
Director.

Approved: October 26, 2001.

Timothy E. Skud,

*Acting Deputy Assistant Secretary
(Regulatory, Tariff and Trade
Enforcement).*

(Filed with the Office of the Federal Register on 11-23-01 at 8:45 a.m. as FR Doc. 01-29361; published on 11-26-01 at 66 FR 58938.)

Subpart B — TOBACCO

TITLE 27—ALCOHOL, TOBACCO
PRODUCTS AND FIREARMS—
CHAPTER I—BUREAU OF ALCOHOL,
TOBACCO AND FIREARMS,
DEPARTMENT OF THE TREASURY

Implementation of Public Law 106-544 for Certain Amendments Related to Balanced Budget Act of 1997

27 CFR Parts 40, 44, 275 and 295

[T.D. ATF--467]

RIN 1512-AC55

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Final rule (Treasury Decision).

SUMMARY: This document implements regulations relating to certain provisions of the Consolidated Appropriations Act, 2001, Public Law 106-554. These provisions revised the definition of "manufacturer of cigarette papers and tubes" and removed the definition of "cigarette papers" in section 5702 of Title 26 of the United States Code. The provisions of these sections are retroactive to the effective date of section 9302 of the Balanced Budget Act of 1997, which was January 1, 2000.

EFFECTIVE DATE: January 1, 2000.

FOR FURTHER INFORMATION

CONTACT: Robert Ruhf, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue, NW., Washington, DC 20226;

telephone (202) 927-8210; e-mail: alctob@atfhq.atf.treas.gov.

SUPPLEMENTARY INFORMATION:

On December 21, 2000, the President signed the Consolidated Appropriations Act, 2001, Public Law 106-554 (114 Stat. 2763), which contains the Community Renewal Tax Relief Act (referred to as the Act). As noted in the accompanying Conference Report, sections 315(a)(2)(A) and (B) of the Act, contained in Title III--Administrative and Technical Provisions, were conforming amendments to reflect the fact that the tax on cigarette papers has not been imposed on "books" or papers since January 1, 2000. See 146 Cong. Rec. H 12418 (daily ed. December 15, 2000). Section 315(b) of the Act made the effective date of the provisions of section 315 retroactive to the effective date of section 9302 of the Balanced Budget Act of 1997, January 1, 2000 (111 Stat. 672).

The provisions of section 315(a)(2)(A) revised the definition of manufacturer of cigarette papers and tubes. Prior to this revision, the definition of manufacturer of cigarette papers and tubes meant any person who makes up cigarette paper into books or sets containing more than 25 papers each, or into tubes, except for personal use or consumption. Section 315(a)(2)(A) amended the definition to mean "any person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption." This definition was amended because section 9302 of the Balanced Budget Act of 1997 changed the imposition of the Federal excise tax on cigarette papers

Title 26 of the United States Code. Under section 5701(c), a tax now is imposed on all cigarette papers manufactured in the United States regardless of whether the cigarette papers were in books or sets containing more than 25 papers each. Consequently, the definition of manufacturer of cigarette papers and tubes was changed to conform to the Federal excise tax imposed on cigarette papers.

The provisions of section 315(a)(2)(B) removed the definition of cigarette papers in 26 U.S.C. 5702. Prior to this amendment, the definition of cigarette papers meant taxable books or sets of cigarette papers. Because section 5701 of Title 26 of the United States Code imposes a tax on all cigarette papers, regardless of whether the cigarette papers are in books or sets, the definition of cigarette papers was deleted.

In this final rule, we are amending the regulations in 27 CFR Parts 40, 44, 275 and 295 to conform to the changes made by the aforementioned provisions. Consequently, we are revising the regulatory definition of "manufacturer of cigarette papers and tubes" and removing the definition of "cigarette papers".

Administrative Procedure Act

This document merely revises existing regulations to restate the language as currently set forth in the statute. Therefore, we find it is unnecessary to issue this Treasury decision with notice and public procedure under 5 U.S.C. 553(b), or subject to the effective date limitation in section 553(d).

Regulatory Flexibility Act

The provisions of the Regulatory Flexibility Act relating to a final regulatory flexibility analysis (5 U.S.C. 604) do not apply to this final rule. We were not required to publish a general notice of proposed rulemaking under 5 U.S.C. 553 or any other law. The revenue effects of this rulemaking on small businesses result directly from the underlying statute. Pursuant to 26 U.S.C. 7805(f), we have sent a copy of this regulation to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small businesses. No comments were received.

Executive Order 12866

It has been determined that this final rule is not a significant regulatory action as defined by Executive Order 12866. Therefore, a regulatory assessment is not required.

Paperwork Reduction Act of 1995

The provisions of the Paperwork Reduction Act of 1995, Public Law 104-13, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this final rule because there are no new or revised recordkeeping or reporting requirements.

Drafting Information

The principal author of this document is Robert Ruhf, Regulations Division, Bureau of Alcohol, Tobacco and Firearms.

List of Subjects

27 CFR Part 40

Administrative practice and procedure, Authority delegations, Cigars and cigarettes, Claims, Electronic fund transfers, Excise taxes, Imports, Labeling, Packaging and containers, Penalties, Reporting and recordkeeping requirements, Seizures and forfeitures, Surety bonds, Tobacco.

27 CFR Part 44

Administrative practice and procedure, Authority delegations, Cigars and cigarettes, Claims, Customs duties and inspections, Excise taxes, Exports, Foreign trade zones, Labeling, Packaging and containers, Penalties, Reporting and recordkeeping requirements, Surety bonds, Tobacco, Transportation, Warehouses.

27 CFR Part 275

Administrative practice and procedure, Authority delegations, Cigars and cigarettes, Claims, Electronic fund transfer, Excise taxes, Imports, Labeling, Packaging and containers, Penalties, Reporting requirements, Seizures and forfeitures, Surety bonds, Tobacco, Warehouses.

27 CFR Part 295

Administrative practice and procedure, Authority delegations, Cigars and cigarettes, Excise taxes, Labeling, Packaging and containers, Reporting and recordkeeping requirements, Tobacco.

Issuance

27 CFR chapter I is amended as follows:

PART 40--[AMENDED]

Paragraph 1. The authority citation for 27 CFR part 40 continues to read as follows:

Authority: 26 U.S.C. 5142, 5143, 5146, 5701, 5703-5705, 5711-5713, 5721-5723, 5731, 5741, 5751, 5753, 5761-5763, 6061, 6065, 6109, 6151, 6301, 6302, 6311, 6313, 6402, 6404, 6423, 6676, 6806, 7011, 7212, 7325, 7342, 7502, 7503, 7606, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

Par. 2. Section 40.11 is amended to:

- a. Remove the definition of "cigarette papers"; and
- b. Revise the definition of "manufacturer of cigarette papers and tubes" to read as follows:

§ 40.11 Meaning of terms.

* * * * *

Manufacturer of cigarette papers and tubes. Any person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption.

* * * * *

Par. 3. Section 40.391 is revised to read as follows:

§ 40.391 Persons required to qualify.

Every person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption, must first qualify as a manufacturer of cigarette papers and tubes in accordance with the provisions of this subpart.

PART 44--[AMENDED]

Par. 4. The authority citation for 27 CFR part 44 continues to read as follows:

Authority: 26 U.S.C. 5142, 5143, 5146, 5701, 5703-5705, 5711-5713, 5721-5723, 5731, 5741, 5751, 5754, 6061, 6065, 6151, 6402, 6404, 6806, 7011, 7212, 7342, 7606, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

Par. 5. Section 44.11 is amended to:

- a. Remove the definition of "cigarette papers"; and
- b. Revise the definition of "manufacturer of cigarette papers and tubes" to read as follows:

§ 44.11 Meaning of terms.

* * * * *

Manufacturer of cigarette papers and tubes. Any person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption.

* * * * *

PART 275--[AMENDED]

Par. 6. The authority citation for 27 CFR part 275 continues to read as follows:

Authority: 18 U.S.C. 2342; 26 U.S.C. 5701, 5703, 5704, 5705, 5708, 5712, 5713, 5721, 5722, 5723, 5741, 5754, 5761, 5762, 5763, 6301, 6302, 6313, 6404, 7101, 7212, 7342, 7606, 7652, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

Par. 7. Section 275.11 is amended to:

- a. Remove the definition of "cigarette papers"; and
- b. Revise the definition of "manufacturer of cigarette papers and tubes" to read as follows:

§ 275.11 Meaning of terms.

* * * * *

Manufacturer of cigarette papers and tubes. Any person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption.

* * * * *

PART 295--[AMENDED]

Par. 8. The authority citation for 27 CFR part 295 continues to read as follows:

Authority: 26 U.S.C. 5703, 5704, 5705, 5723, 5741, 5751, 5762, 5763, 6313, 7212, 7342, 7606, 7805, 44 U.S.C. 3504(h).

Par. 9. Section 295.11 is amended to:

- a. Remove the definition of "cigarette papers"; and
- b. Revise the definition of "manufacturer of cigarette papers and tubes" to read as follows:

§ 295.11 Meaning of terms.

* * * * *

Manufacturer of cigarette papers and tubes. Any person who manufactures cigarette paper, or makes up cigarette paper into tubes, except for his own personal use or consumption.

* * * * *

Signed: July 17, 2002.

Bradley A. Buckles,
Director.

Approved: August 23, 2001.

Timothy E. Skud,
Acting Deputy Assistant Secretary
(Regulatory, Tariff and Trade
Enforcement).

(Filed with the Office of the Federal Register on 9-27-01 at 8:45 a.m. as FR Doc. 01—24261; published on 9-28-01 at 66 FR 49531.)

Subpart D — ADMINISTRATIVE

TITLE 27—ALCOHOL, TOBACCO PRODUCTS AND FIREARMS—CHAPTER I—BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY

Removal of Tobacco Products and Cigarette Papers and Tubes, Without Payment of Tax for Use of the United States; Recodification of Regulations

27 CFR Parts 40, 45, 70, and 295

[T.D. ATF--469]

RIN 1512-AC42

AGENCY: Bureau of Alcohol, Tobacco and Firearms (ATF), Department of the Treasury.

ACTION: Final rule (Treasury decision).

SUMMARY: The Bureau of Alcohol, Tobacco and Firearms (ATF) is recodifying the regulations in part 295 – Removal of Tobacco Products and Cigarette Papers and Tubes, Without Payment of Tax for Use of the United States, title 27 of the Code of Federal Regulations (CFR). The purpose of this recodification is to reissue the regulations in 27 CFR part 295 as 27 CFR part 45. This change improves the organization of title 27 CFR.

DATES: This rule is effective on November 13, 2001.

FOR FURTHER INFORMATION CONTACT: Lisa M. Gesser, Regulations Division, Bureau of Alcohol,

Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226, (202-927-9347) or e-mail at LMGesser@atfhq.atf.treas.gov.

SUPPLEMENTARY INFORMATION:

Background

As a part of continuing efforts to reorganize the part numbering system of title 27 CFR, ATF is removing part 295 of title 27 CFR, in its entirety, and is recodifying the regulations as 27 CFR part 45. This change improves the organization of title 27 CFR.

In addition to the recodification, ATF is making a technical amendment to the newly redesignated part 45 that revises the Office of Management and Budget control number.

Derivation Table for Part 45

<i>The requirements of:</i>	<i>Are derived from:</i>
Subpart A	
Sec.	Sec.
45.1	295.1
Subpart B	
45.11	295.11
Subpart C	
45.21	295.21
45.22	295.22
45.23	295.23
45.24	295.24
45.25	295.25

<i>The requirements of:</i>	<i>Are derived from:</i>
Subpart D	
45.31	295.31
45.32	295.32
45.33	295.33
45.34	295.34
45.35	295.35
45.36	295.36
45.37	295.37
Subpart E	
45.41	295.41
45.42	295.42
45.43	295.43
45.44	295.44
45.45	295.45
45.45a	295.45a
45.45b	295.45b
45.45c	295.45c
45.46	295.46
Subpart F	
45.51	295.51

Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, Public Law 104-13, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this final rule because there are no new or revised recordkeeping or reporting requirements.

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this rule under the Administrative Procedure Act (5 U.S.C. 553), the provisions of the Regulatory Flexibility Act (5 U.S.C.

601 *et seq.*) do not apply. We sent a copy of this final rule to the Chief Counsel for Advocacy of the Small Business Administration in accordance with 26 U.S.C. 7805(f). Assistant Chief Counsel commented that “these amendments are merely technical in nature and will not have a significant impact on a substantial number of small businesses.”

Executive Order 12866

This final rule is not a significant regulatory action as defined in Executive Order 12866. Accordingly, this final rule is not subject to the analysis required by this Executive Order.

Administrative Procedure Act

Because this final rule merely makes technical amendments and conforming changes to improve the clarity of the regulations, it is unnecessary to issue this final rule with notice and public procedure under 5 U.S.C. 553(b). Similarly, because of the nature of this final rule, good cause is found that it is unnecessary to subject this final rule to the effective date limitation of 5 U.S.C. 553(d).

Drafting Information

The principal author of this document is Lisa M. Gesser, Regulations Division, Bureau of Alcohol, Tobacco and Firearms.

List of Subjects

27 CFR Part 40

Cigars and cigarettes, Claims, Electronic funds transfers, Excise taxes, Imports, Labeling, Packaging and

containers, Reporting and record-keeping requirements, Surety bonds, Tobacco

27 CFR Part 45

Cigars and cigarettes, Excise taxes, Labeling, Packaging and containers, Reporting and recordkeeping requirements, Tobacco.

27 CFR Part 70

Administrative practice and procedure, Claims, Excise taxes, Freedom of information, Law enforcement, Penalties, Reporting and recordkeeping requirements, Surety bonds.

27 CFR Part 295

Cigars and cigarettes, Excise taxes, Labeling, Packaging and containers, Reporting and recordkeeping requirements, Tobacco.

Authority and Issuance

ATF is amending title 27 of the Code of Federal Regulations as follows:

PART 40—MANUFACTURE OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES

Paragraph 1. The authority citation for 27 CFR part 40 continues to read as follows:

Authority: 26 U.S.C. 5142, 5143, 5146, 5701, 5703-5705, 5711-5713, 5721-5723, 5731, 5741, 5751, 5753, 5761-5763, 6061, 6065, 6109, 6151, 6301, 6302, 6311, 6313, 6402, 6404, 6423, 6676, 6806, 7011, 7212, 7325, 7342, 7502, 7503, 7606, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

§§40.44, 40.234, 40.384 and 40.453

[Amended]

Par. 2. Remove the reference to “part 295” and add in its place a reference to “part 45” in the following places:

- a. Section 40.44;
- b. Section 40.234;
- c. Section 40.384; and
- d. Section 40.453.

PART 70—PROCEDURE AND ADMINISTRATION

Par. 3. The authority citation for 27 CFR part 70 continues to read as follows:

Authority: 5 U.S.C. 301 and 552; 26 U.S.C. 4181, 4182, 5146, 5203, 5207, 5275, 5367, 5415, 5504, 5555, 5684(a), 5741, 5761(b), 5802, 6020, 6021, 6064, 6102, 6155, 6159, 6201, 6203, 6204, 6301, 6303, 6311, 6313, 6314, 6321, 6323, 6325, 6326, 6331-6343, 6401-6404, 6407, 6416, 6423, 6501-6503, 6511, 6513, 6514, 6532, 6601, 6602, 6611, 6621, 6622, 6651, 6653, 6656-6658, 6665, 6671, 6672, 6701, 6723, 6801, 6862, 6863, 6901, 7011, 7101, 7102, 7121, 7122, 7207, 7209, 7214, 7304, 7401, 7403, 7406, 7423, 7424, 7425, 7426, 7429, 7430, 7432, 7502, 7503, 7505, 7506, 7513, 7601-7606, 7608-7610, 7622, 7623, 7653, 7805.

§70.431 [Amended]

Par. 4. Amend paragraph (b)(6) in §70.431, by removing the reference to “Part 295” and adding in its place a reference to “Part 45”.

PART 295—REMOVAL OF TOBACCO PRODUCTS AND CIGA-

**RETTE PAPERS AND TUBES,
WITHOUT PAYMENT OF TAX
FOR USE OF THE UNTIED
STATES**

Par. 5. The authority citation for 27 CFR part 295 continues to read as follows:

Authority: 26 U.S.C. 5703, 5704, 5705, 5723, 5741, 5751, 5762, 5763, 6313, 7212, 7342, 7606, 7805, 44 U.S.C. 3504(h).

**PART 295 [REDESIGNATED AS 27
CFR PART 45]**

Par. 6. Transfer 27 CFR part 295 from subchapter M to subchapter B and redesignate as 27 CFR part 45.

**PART 45—REMOVAL OF TO-
BACCO PRODUCTS AND CIGA-
RETTE PAPERS AND TUBES,
WITHOUT PAYMENT OF TAX
FOR USE OF THE UNTIED
STATES**

Par. 7. The authority citation for the newly redesignated 27 CFR part 45 continues to read as follows:

Authority: 26 U.S.C. 5703, 5704, 5705, 5723, 5741, 5751, 5762, 5763, 6313, 7212, 7342, 7606, 7805, 44 U.S.C. 3504(h).

Editorial Note [Amended]

Par. 7a. Amend the “Editorial Note” following the table of contents by removing the reference to “part 295” and adding in its place a reference to “part 45”.

§45.34 [Amended]

Par. 8. Amend §45.34 by removing the reference to “§295.36” and adding in its place a reference to “§45.36”.

§45.43 [Amended]

Par. 9. Amend §45.43 by removing the Office of Management and Budget’s control number “1512-0488” and adding, in its place, “1512-0502.”

Signed: June 22, 2001.

Bradley A. Buckles,
Director.

Approved: August 23, 2001.

Timothy E. Skud,
Acting Deputy Assistant Secretary
(Regulatory, Tariff and Trade Enforcement).

(Filed with the Office of the Federal Register on 11-9-01; 8:45 a.m. as FR Doc 01-28257; published on 11-13-01 at 66 FR 56759.)

Bureau Rulings

Subpart C – FIREARMS

ATF Ruling 2001-3

27 CFR 47.45: IMPORTATION OF SURPLUS MILITARY CURIO OR RELIC FIREARMS

Importers of surplus military curio or relic firearms must submit originals of all appropriate statements supporting the Form 6 application.

The Bureau of Alcohol, Tobacco and Firearms (ATF) has received inquiries from firearms importers concerning supporting documents required to be submitted with applications to import surplus military curio or relic firearms. Importers often rely upon documents obtained by the foreign shipper or seller and have asked whether copies of the documents, rather than originals, may be submitted with the application. For the reasons stated below, ATF has found that importers of surplus military curio or relic firearms must submit *originals* of all appropriate statements supporting the application.

ATF has the authority pursuant to section 38 of the Arms Export Control Act (AECA), 22 U.S.C. 2778, and

implementing regulations, to approve import permits, as well as to deny, revoke, suspend, or revise import permits without prior notice whenever the proposed importation is found to be inconsistent with the purpose or in violation of section 38 or its implementing regulations. See 27 CFR 47.41, 47.44(a).

Under the AECA and implementing regulations, it is the policy of the United States to deny licenses and other approvals with respect to defense articles and defense services originating in certain countries or areas as determined by the Department of State. This policy applies to countries or areas with respect to which the United States maintains an arms embargo. See 27 CFR 47.52(a). Nonetheless, applications for permits to import articles that were manufactured in, or have been in, a proscribed country or proscribed area may be approved where the articles:

- Are covered by Category I(a) of the Import List (other than those subject to the provisions of 27 CFR Part 179);
- Are importable as curios or relics under the provisions of 27 CFR 178.188;

- Were manufactured in a proscribed country or area prior to the date the country or area became proscribed, or, were manufactured in a non-proscribed country or area; and,
- The articles have been stored for the five year period immediately prior to importation in a non-proscribed country or area.

22 U.S.C. 2778(b)(1)(B); 27 CFR 47.52(e).

Any persons seeking to import articles under these provisions must explain and certify how the firearms meet the applicable criteria. The certification statement must be executed under the penalties of perjury. In addition, the statement must be accompanied by documentary information both on the country or area of original manufacture, and on the country or area of storage for the five year period immediately prior to importation. Such information may, for example, include a verifiable statement in the English language of a government official or any other person having knowledge of the date and place of manufacture and/or the place of storage. ATF reserves the right to determine whether documentation provided is acceptable, and to require the submission of additional documentation as may be necessary.

27 CFR 47.52(f).

To ensure the lawfulness of the importation of surplus military defense articles, ATF must be able to rely upon the validity of import permit applications and all supporting documentation. This documentation includes but is not limited to appropriate and verifiable documentation of the above-referenced:

1. Importer certification statement;
2. Statement on the country or area of original manufacture; and,
3. Statement on the country or area of storage for the five year period immediately prior to importation.

In the past, import permit applicants have submitted photocopies of the required statements. ATF has become aware that, in some cases, the photocopies are fraudulent. To assist ATF in confirming the validity and authenticity of these statements, importers must submit original statements in support of all import permit applications. Consistent with the purpose of section 38 of the AECA and implementing regulations, ATF will deny all permit applications that fail to include the above-described original statements.

Held, all importers submitting permit applications to import surplus military defense articles, importable as curio or relics, must provide with the permit applications originals of all necessary supporting statements. ATF will deny permit applications when applicants fail to provide appropriate original statements, as ATF finds that copies are not acceptable documentation within the meaning of 27 CFR 47.52(f).

Date signed: October 31, 2001.

ATF Ruling 2001-4

Note: This Ruling was not issued issued.

ATF Ruling 2001-5

18 U.S.C. 922(t)(1)(C): IDENTIFICATION OF TRANSFEREE

27 CFR 178.124: FIREARMS TRANSACTION RECORD

Licensees may accept a combination of valid government-issued documents to satisfy the identification document requirements of the Brady Act. The required valid government-issued photo identification document bearing the name, photograph, and date of birth of the transferee may be supplemented by another valid, government-issued document showing the transferee's residence address. A member of the Armed Forces on active duty is a resident of the State in which his or her permanent duty station is located, and may satisfy the identification document requirement by presenting his or her military identification card along with official orders showing that his or her permanent duty station is within the State where the licensed premises are located.

ATF Ruling 79-7 is superseded.

The Bureau of Alcohol, Tobacco and Firearms (ATF) has received numerous inquiries from Federal firearms licensees (FFLs) regarding the acceptance of identification documents that do not show the purchaser's current residence address. FFLs have asked whether they may accept other documents, such as tax bills or vehicle registration documents, to establish the current residence address of the purchaser.

It has been ATF's longstanding position that licensees may accept a

combination of documents to establish the identity of a firearm purchaser. ATF Rul. 79-7, ATFQB 79-1, 26, interpreted a licensee's obligation to obtain satisfactory identification from a purchaser in the manner customarily used in commercial transactions, pursuant to the existing regulations under the Gun Control Act of 1968 (GCA). The ruling held that satisfactory identification of a firearms purchaser must include the purchaser's name, age or date of birth, place of residence, and signature. The ruling also held that while a particular document may not be sufficient to meet the statutory requirement for identifying the purchaser, any combination of documents that together disclosed the required information would be acceptable.

ATF Rul. 79-7 has been superseded by an amendment to the GCA. The Brady Handgun Violence Prevention Act (Brady Act), which took effect in 1994, mandated the use of photo identification documents for transfers subject to the Act. Under the permanent provisions of the Brady Act, which went into effect on November 30, 1998, a licensed importer, manufacturer, or dealer is generally required to initiate a background check through the National Instant Criminal Background Check System (NICS) prior to transferring a firearm to an unlicensed individual.

The Brady Act requires a licensee to identify the nonlicensed transferee by examining a valid government-issued identification document that contains the photograph of the holder. *See* 18 U.S.C. 922(t)(1)(C). This requirement applies to all over-the-counter transfers, even where the transferee holds a permit that qualifies as an exception to the requirement for a NICS check

at the time of transfer. 27 CFR 178.124(c)(3)(i).

The Brady Act incorporates the definition of an "identification document" provided by 18 U.S.C. 1028(d)(2), which is set forth in relevant part as follows:

[A] document made or issued by or under the authority of the United States Government, a State, political subdivision of a State, a foreign government, political subdivision of a foreign government, an international governmental or an international quasi-governmental organization which, when completed with information concerning a particular individual, is of a type intended or commonly accepted for the purpose of identification of individuals.

ATF regulations further require that the identification document must contain the name, residence address, date of birth, and photograph of the holder. 27 CFR 178.11.

ATF has received questions from licensees regarding purchasers who present a State-issued driver's license or other identification document that shows either an out-of-date residence address or a mailing address (such as a post office box) in lieu of a residence address. ATF has advised that these identification documents, standing alone, would not satisfy the requirements of the regulations implementing the Brady Act.

It is ATF's position that a combination of documents may be used to satisfy the Brady Act's requirement for an identification document. The prospective transferee must present at

least one valid document that meets the statutory definition of an identification document; i.e., it must bear the transferee's name and photograph, it must have been issued by a governmental entity, and it must be of a type intended or commonly accepted for identification purposes. ATF recognizes, however, that some valid government-issued identification documents do not include the bearer's current residence address. Such an identification document may be supplemented with another valid government-issued document that contains the necessary information.

Thus, for example, a licensee may accept a valid driver's license that accurately reflects the purchaser's name, date of birth, and photograph, along with a vehicle registration issued by the State indicating the transferee's current address. Licensees should note that if the law of the State that issued the driver's license provides that the driver's license is invalid due to any reason (i.e., the license is expired or is no longer valid due to an unreported change of address), then the driver's license may not be used for identification purposes under the Brady Act. If a licensee has reasonable cause to question the validity of an identification document, he or she should not proceed with the transfer until those questions can be resolved.

The licensee must record on the Form 4473 the type of identification document(s) presented by the transferee, including any document number. Examples of documents that may be accepted to supplement information on a driver's license or other identification document include a vehicle registration, a recreation identification card, a fishing or hunting

license, a voter identification card, or a tax bill. However, the document in question must be valid and must have been issued by a government agency.

ATF has also received questions from licensees as to how to comply with the identification document requirement in the case of purchasers who are in the military. Some active duty military personnel may not have driver's licenses from the State in which they are stationed. The only identification document carried by some active duty military personnel is a military identification card that bears the holder's name, date of birth, and photograph, but does not reflect the holder's residence address.

Section 921(b) of the GCA provides that a member of the Armed Forces on active duty is a resident of the State in which his permanent duty station is located. The purchaser's official orders showing that his or her permanent duty station is within the State where the licensed premises are located suffice to establish the purchaser's residence for GCA purposes. In combination with a military identification card, such orders will satisfy the Brady Act's requirement for an identification document, even though the purchaser may actually reside in a home that is not located on the military base.

Licensees should note that for purposes of the GCA, military personnel may in some cases have two States of residence. For example, a member of the Armed Forces whose permanent duty station is Fort Benning, Georgia, may actually reside in a home in Alabama. For GCA purposes, that individual is a resident of Georgia when he or she is in Georgia and a resident of Alabama when he or she is in Alabama. If such an individual wishes to purchase

a firearm in Alabama, he or she must of course comply with the identification document requirement in the same way as any other Alabama resident.

Held, the Brady Act and the implementing ATF regulations require licensed importers, manufacturers, and dealers to examine a valid government-issued identification document that bears the name, residence address, date of birth, and photograph of the holder prior to making an over-the-counter transfer to any unlicensed transferee. Licensees may accept a combination of valid, government-issued documents to satisfy the identification document requirements of the Brady Act. A government-issued photo identification document bearing the name, photograph, and date of birth of the transferee may be supplemented by another valid, government-issued document showing the transferee's current residence address.

Held further, a purchaser who is a member of the Armed Forces on active duty is a resident of the State in which his or her permanent duty station is located, and may satisfy the identification document requirement by presenting his or her military identification card along with official orders showing that his or her permanent duty station is located within the State where the licensed premises are located.

ATF Ruling 79-7, ATFQB 79-1, 26, is hereby superseded.

Date signed: December 31, 2001.

ADMINISTRATIVE MATTERS

DELEGATION ORDERS

ATF O 1130.24

Delegation Order--Delegation of the Director's Authorities in Subpart C and Subpart I of 27 CFR Part 46

To: All Bureau Supervisors.

1. *Purpose.* This order delegates the authorities of the Director to subordinate ATF officers and prescribes the subordinate ATF officers with whom persons file documents which are not ATF forms.
2. *Cancellation.* This order cancels ATF O 1130.14, Delegation Order--Delegation of the Director's Authorities in Subpart I of 27 CFR Part 296, dated 1/11/2000, and the portion referring to part 296 in ATF O 1130.15, Delegation of the Director's Authorities in 27 CFR parts 270, 275, and 296, dated 12/22/1999.
3. *Background.* The Director has the authority to take final action on matters relating to tobacco products and cigarette papers and tubes. Certain of these authorities were delegated to lower organizational levels in ATF O 1130.14 and ATF O 1130.15. ATF is currently restructuring the part numbering system in title 27 of the Code of Federal Regulations (CFR). The miscellaneous regulations relating to tobacco products and cigarette papers and tubes, previously located in 27 CFR part 296, are now recodified as 27 CFR part 46. Due to

this restructuring, ATF O 1130.14 and a portion of ATF O 1130.15 must be cancelled and a new order must be issued to reflect the new part number.

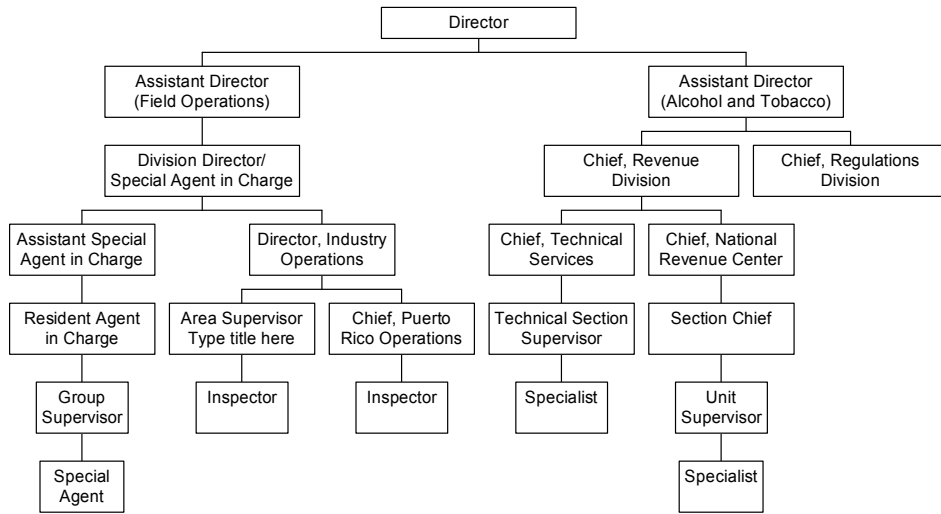
4. *Delegations.* Under the authority vested in the Director, Bureau of Alcohol, Tobacco and Firearms, by Treasury Department Order No. 120-1 (formerly 221), dated June 6, 1972, and by 26 CFR 301.7701-9, this ATF order delegates certain authorities to take final action prescribed in subpart C and subpart I of part 46 of title 27 CFR to subordinate officers. Also, this ATF order prescribes the subordinate officers with whom applications, notices, and reports required by subpart C and subpart I of part 46 of title 27 CFR, which are not ATF forms, are filed. The attached table identifies the regulatory sections, documents and authorized ATF officers. The authorities in the table may not be redelegated. An ATF organization chart showing the directorates and the positions involved in this delegation order has been attached.
5. *Questions.* Any questions concerning this order should be directed to the Regulations Division at 202-927-8210.

Bradley A. Buckles,
Director.

Table of Authorities, Documents To Be Filed, and Authorized Officials

<i>Regulatory Section</i>	<i>Officers authorized to act or received documents</i>
Sec. 46.77	Unit supervisor, National Revenue Center.
46.242	Director of Industry Operations.
46.244	Inspector, Specialist or Special Agent.
46.253	Section Chief, National Revenue Center (NRC), to approve (by affixing the signature of the Director) claims of more than \$5,000 for remission, abatement, credit, or refund of tax.
46.253	Unit Supervisor, NRC, to approve (by affixing the signature of the Director) claims of \$5,000 or less for remission, abatement, credit, or refund of tax.
46.263	Chief, Regulations Division. If the alternate method or procedure does not affect import or export recordkeeping, Chief, NRC, may act upon the same alternate method that has been approved by the Chief, Regulations Division.
46.264	Chief, Regulations Division. If the alternate method or procedure does not affect import or export recordkeeping, Chief, NRC, may act upon the same alternate method that has been approved by the Chief, Regulations Division.
46.271	Inspector, Specialist or Special Agent.
46.272	Director of Industry Operations.
46.274	Section Chief, NRC.

ATF Organization



This is not a complete organizational chart of ATF

(Filed with the Office of the Federal Register 10-21-01 at 8:45 a.m. as FR Doc. 01-25845; published on 10-15-01 at 66 FR 52478.)

Announcements

Announcement 2001--10

Major Disaster Areas Proclaimed by the President

The President has determined that certain areas of the United States were adversely affected by disasters of sufficient magnitude to warrant Federal assistance under the Disaster Relief Act of 1974. The specific areas adversely affected as identified by the Administrator, Federal Emergency Management Agency (FEMA) are listed below.

Persons in the affected areas holding for sale alcoholic beverages,

cigars, cigarettes, or cigarette papers or tubes, which were lost, rendered unmarketable, or condemned by a duly authorized official by reason of these disasters, may be paid an amount equal to the internal revenue taxes and customs duties paid on such products, as provided in 26 U.S.C. 564 and 5708. Claims for such payments should be filed with the Director of Industry Operations, Bureau of Alcohol, Tobacco and Firearms, for the ATF district in which the alcoholic beverages, cigarettes, etc. were held for sale. Claims may be allowed only if filed within six months after the date the FEMA identifies the specific disaster area.

ALABAMA 1399

Type of disaster:
Counties:

December 7, 2001.
Severe storms and tornadoes of Nov. 24-25, 2001.
Autauga, Blount, Butler, Calhoun, Cherokee, Clay, Dale, DeKalb, Etowah, Fayette, Jefferson, Lamar, Lawrence, Madison, Marion, Marshall, St. Clair, Talladega, and Winston.

FLORIDA 1393

Type of disaster:
Counties:

September 28, 2001.
Tropical Storm Gabrielle.
Charlotte, Collier, DeSoto, Flagler, Hardee, Highlands, Lee, Manatee, Putnam, St. Johns, and Sarasota.

GUAM 1397

Type of disaster:
Eligible Area:

December 5, 2001.
Earthquake of October 13, 2001.
Territory of Guam.

MISSISSIPPI 1398	December 7, 2001.
Type of disaster:	Severe storms, tornadoes, and flooding.
Counties:	Bolivar, DeSoto, Hinds, Humphreys, Madison, Panola, Quitman, Sunflower, Tate, and Washington.
NEBRASKA 1394	October 12, 2001.
Type of disaster:	Severe storms and tornado of Aug. 17-18, 2001.
Counties:	Dakota.
NEW YORK 1391	September 11, 2001.
Type of disaster:	Fires and explosions of September 11, 2001.
Counties:	Bronx, Delaware, Dutchess, Kings, Nassau, New York (boroughs of Brooklyn and Manhattan), Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, and Westchester.
OHIO 1390	August 27, 2001.
Type of disaster:	Severe storms and flooding of July 17-18, 2001.
Counties:	Brown, Butler, Clermont, and Hamilton.
OKLAHOMA 1395	October 25, 2001.
Type of disaster:	Severe storms, flooding, and tornadoes of Oct. 9-10, 2001.
Counties:	Caddo, Kiowa, and Washita.
PUERTO RICO 1396	November 28, 2001.
Type of disaster:	Severe storms, flooding, mudslides, and landslides of November 7, 2001
Municipalities:	Aguas Buenas, Barranquitas, Bayamon, Ciales, Corozal, Jayuya, Juncos, Morovis, Naranjito, Orocovis, San Lorenzo, Utuado, and Vega Alta.
VIRGINIA 1392	September 21, 2001.
Type of disaster:	Fires and explosions of September 11, 2001.
Counties:	Arlington.

Amendments to Previously Declared Disasters:

None during this calendar quarter.

Announcement 2001-11

Recent Court Decisions of Interest

Challenge to ATF Action Establishing the Santa Rita Hills Viticultural Area.

Sociedad Anonima Vina Santa Rita v. United States Department of the Treasury, et al;

The Bureau of Alcohol, Tobacco and Firearms (ATF) issued a final regulation on May 31, 2001 [T.D. ATF No. 454] establishing the "Santa Rita Hills" viticultural area in Santa Barbara County, California. Prior to the regulation becoming effective on July 30, 2001, Vina Santa Rita, a winery in Chile, filed suit in the United States District Court for the District of Columbia alleging that ATF acted in an arbitrary and capricious manner in issuing the regulation and that the establishment of the Santa Rita Hills viticultural area infringed and diluted its Santa Rita trademark. (*See, Sociedad Anonima Vina Santa Rita v. United States Department of the Treasury, et al, U.S. Dist Ct, DC, Civil Action No. 01-1573 (CKK).*)

On August 13, 2001, in a lengthy memorandum opinion and order, the District Court denied the plaintiff's motion for a temporary restraining order (TRO) and preliminary injunction (PI) to enjoin the regulation from going into effect. The denial of the TRO and PI was only a preliminary ruling and would customarily have been followed by a ruling on the merits after a full hearing. However, subsequently the plaintiff voluntarily dismissed its lawsuit.

In alleging that ATF was arbitrary and capricious in issuing the final regulation, Vina Santa Rita made three assertions: (1) ATF created confusion among wine consumers in violation of the statutory mandate of the Federal Alcohol Administration Act by selecting the name "Santa Rita Hills;" (2) ATF's decision to select this name conflicted with the Lanham Act (the Federal trademark law); and (3) ATF failed to consider alternative names.

The court's memorandum opinion stated, however, that ATF had articulated adequate reasons in the final rule to show that there is no confusion among wine consumers. Specifically, it noted that ATF has approved other wine labels bearing "Santa Rita" without any complaints or confusion and that other information on the wine label will inform the consumer about the wine's origins--from either Chile or California. Additionally, it noted that the evidence in the administrative record before ATF at the time the regulation was issued supported the application of the name Santa Rita Hills to this viticultural area.

Regarding the alleged conflict with the Lanham Act, the court held that some actual use is required before an infringement or dilution arises and that ATF did not use the name by merely establishing the viticultural area. Additionally, the court observed that the Lanham Act recognizes an interplay between trademarks and geographical designations and allows for the latter. The court noted that the viticultural area designation describes the geographic origin of the product and that, in establishing this viticultural area, ATF is simply recognizing an existing geographic area.

Finally, the memorandum opinion stated that ATF has been consistent in its policy when establishing viticultural

areas with names that include trademarks. ATF has rejected proposed viticultural area names when confusion was present or has used modifiers such as "District", "Valley," or "Hills" to distinguish the area's name. Regarding the allegation that ATF failed to consider alternative names, the court's opinion stated that no alternative names had been seriously put forth during the notice and comment period, so there were no alternative names for ATF to consider.

On the remaining counts alleging that, in establishing the Santa Rita Hills viticultural area, ATF infringed and diluted the trademarks owned by Vina Santa Rita, the court stated that these issues were not ripe for adjudication. Until ATF approved a wine label, and it was used by a winery, the court could not adjudicate whether a particular use resulted in an infringement or dilution. The court also considered the remaining elements of harm and public interest and determined that they did not support a TRO and PI.

Announcement 2001--12

Offers In Compromise

<i>Company/Individual Location</i>	<i>Amount:</i>	<i>Alleged Violations:</i>
McCormick Distilling Co., Inc., Weston, MO.	\$ 1,000,000	(1) Violation of 26 USC 5241 and 5242 and 27 CFR 19.452 by altering distilled spirits with unapproved denaturants, failure to thoroughly mix denaturing materials with spirits, and failure to use authorized formulas; (2) violation of 26 USC 5214(a)(4) and 27 CFR 252.40, 252.92(a), 252.250 and 252.253 by failing to correctly complete ATF Forms 5100.11 for distilled spirits removed without payment of tax, with no documentation of export of those spirits and no signed bills of lading; (3) violation of 26 USC 5603(b) by producing potable spirits and falsely recording the products as industrial spirits in production reports; (4) violation of 26 USC 5207 and 27 CFR 19.731 by failing to keep proper records and allowing ATF access to records necessary to trace the quantity and movement of spirits produced; (5) violation of 26 USC 5201 and 5555 and 27 CFR 5.26, 5.27 and 19.378 by failing to file or secure an approved formula for spirits disguised by the addition of chemicals or coloring to hide their potable nature; (6) violation of 18 USC 2 and 1263 by using false bills of lading to ship potable spirits and thereby assist smugglers; and

(7) violation of 18 USC 1952, by the above actions violated the Interstate or Foreign Travel in Aid of Racketeering Enterprises Statute.

Vinifera, Inc., Ronkonoma, NY.	\$ 250,000	Violations of 27 USC 205(e) and 27 CFR 4.40 by removing wine from Customs custody using altered certificates of label approval (COLAs).
Plaza Provision Co., San Juan PR.	\$ 5,260	Violation of 27 USC 205(e) and 215(a), and 27 CFR 4.30(a), 4.32(e), 4.35(b), 4.37(a)(2), 4.38(c), 4.40(a) & (b), 16.20(b), and 16.22(a) by improperly removing from Custom's custody and selling wine with labels not identical to the Certificate of Label Approval (COLA) and which did not have the mandatory sulfites statement and government health warning.

Announcement 2001—13

Revoked Permits

<i>Company or Individual</i>	<i>Permit Number</i>	<i>Date Revoked</i>
Eric Royce	SDA-NJ-2526	08/27/01
Surrey Management	PA-P-6813	09/08/01
Franklin Square	TF-PA-1127	09/27/01

Announcement 2001--14

**Correction to 2001, Vol. 2 (March 16 – June 15, 2001) Quarterly Bulletin,
Offers in Compromise, Announcement 2001--5:**

On page 122, the entries for the Grand View Ltd. Co. and the Henry Wine Group should have read as follows:

<i>Company/ Individual Location</i>	<i>Amount</i>	<i>Alleged Violations</i>
Grand View Winery Ltd. East Calais, VT	\$ 1,000	Violation of 27 U.S.C. 205(e) and 27 CFR 4.50(b) and 24.258 by introducing wine products into intrastate commerce without first obtaining exemptions from

		required certificate of label approvals (COLAs).
The Henry Wine Group Benicia, CA	\$ 15,000	Violations of 27 U.S.C. 205(e) and 215, and 27 CFR 4.32(e), 4.35(b), 4.40(a), 5.31(a), 5.36(b)(1), 5.51(a)(b), 16.20(b), and 16.21 by importing and removing wine and distilled spirits without certificates of label authority (COLAs), and importing and removing wine without the mandatory Government warning statement on the label.

Announcement 2001—15

Unified Agenda of Federal Regulations

ATF published its Unified Agenda of Federal Regulatory and Deregulatory Action in the December 3, 2001 issue of the Federal Register. The Unified Agenda is designed to give the public notice of ATF regulatory activities that will be under development and review during the period of May through November 2001. Questions concerning specific items appearing in the following Unified Agenda should be directed to the appropriate contact person.

Table of Abbreviations

<i>Abbreviation</i>	<i>Meaning</i>
ANPRM	Advance Notice of Proposed Rulemaking
ATF	Bureau of Alcohol, Tobacco and Firearms
CFR	Code of Federal Regulations
DSP	Distilled Spirits Plant
E.O.	Executive Order
FR	Federal Register
FAA Act	Federal Alcohol Administration Act
NPRM	Notice of Proposed Rulemaking
OFR	Office of the Federal Register
OMB	Office of Management and Budget
Pub. L.	Public Law
T.D.	Treasury Decision
T.D. with N	(Temporary) Treasury Decision with Notice
T.D. w/o N	Treasury Decision without Notice
Treasury	Department of the Treasury

PROPOSED RULE STAGE

ALCOHOL

REVISION OF BREWERY REGULATIONS AND ISSUANCE OF REGULATIONS FOR TAVERNS ON BREWERY PREMISES (BREW PUBS)

Priority: Other Significant

Legal Authority: 26 USC 5051 to 5056; 26 USC 5401 to 5417; 27 USC 205

CFR Citation: 27 CFR 7; 27 CFR 25

Legal Deadline: None

Abstract: ATF intends to streamline regulations applying to breweries. ATF will eliminate obsolete regulatory provisions. A formula system for manufactured beer products will replace statements of process attached to the brewers notice. The annual notice for small brewers to pay the reduced rate of tax will be eliminated. Separate regulations for brewpubs will be added to part 25. A section will be added to part 25 to authorize and regulate the alternating use of brewery premises by different brewers. Regulations authorizing the operation of brew-on-premises facilities will be added to part 25.

Statement of Need: ATF intends to streamline its regulations applying to the brewing industry. These changes will simplify brewery reports and operations and eliminate obsolete regulatory provisions. Specific changes would include the imple-

mentation of a formula system for the breweries to replace the statement of process; the establishment of a separate subpart containing simplified regulations for brewpubs; authorizing alternating brewery premises among different proprietors; eliminating the annual notice to pay the reduced rate of tax for most breweries; authorizing brewers to file the Brewer's Report of Operations on a quarterly basis; and authorizing many brewers to take inventories quarterly rather than monthly. The rule will also propose minimum production standards for beer thereby reducing formula filings and a revised statement of net contents requirement for certain container sizes.

Summary of Legal Basis: ATF has undertaken this review of brewery regulations as part of the President's Regulatory Initiative. These regulations are issued under the general authority of the Secretary of the Treasury to promulgate regulations to implement the Internal Revenue Code and the Federal Alcohol Administration Act.

Alternatives: Not applicable. ATF believes that industry will support these regulatory changes because they will streamline regulatory requirements applying to the brewing industry.

Anticipated Cost and Benefits: The proposed regulations will benefit the brewing industry by reducing required inventories, notices, and other submissions to ATF.

Risks: Not applicable.

Timetable:

Action	Date	FR Cite
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NPRM 08/00/02

Regulatory Flexibility Analysis Required: No

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: William Foster, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AB37

AMENDED STANDARD OF IDENTITY FOR SHERRY

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 4

Legal Deadline: None

Abstract: ATF is considering a petition to allow certain types of wine to be labeled as "sherry" rather than "light sherry."

Timetable:

Action	Date	FR Cite
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NPRM 12/00/01

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210
Email: mdruhf@atfhq.atf.treas.gov

RIN: 1512-AB96

ALCOHOL BEVERAGE HEALTH WARNING STATEMENT

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205; 27 USC 215

CFR Citation: 27 CFR 16

Legal Deadline: None

Abstract: ATF is considering amending the regulations concerning the placement, legibility and noticeability of the congressionally mandated health warning statement required to appear on the labels of all containers of alcohol beverages. Based on a petition we have received, we wish to gather information by

inviting comments from the public and industry as to whether the existing regulations should be revised.

Timetable:

Action	Date	FR Cite
ANPRM	05/22/01	66 FR 28135
ANPRM Comment Period End	08/20/01	
NPRM	06/00/02	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC12

**PROPOSED ADDITION OF
"TANNAT" AS A GRAPE
VARIETY NAME FOR
AMERICAN WINES**

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 4

Legal Deadline: None

Abstract: ATF has received a petition proposing to add a new name, "Tannat," to the list of prime grape variety names for use in designating American wines.

Timetable:

Action	Date	FR Cite
NPRM	1/00/02	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Jennifer Berry, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 111 W. Huron Street, Room 219, Buffalo, NY 14202
Phone: 716 551-4048

RIN: 1512-AC50

EXPLOSIVES

**IDENTIFICATION MARKINGS
PLACED ON EXPLOSIVE
MATERIALS**

Priority: Substantive, Nonsignificant

Legal Authority: 18 USC 847

CFR Citation: 27 CFR 55

Legal Deadline: None

Abstract: ATF is considering amending the regulations to require

licensed importers to legibly identify by marking all imported explosive materials. Based on a petition we have received, we wish to gather information by inviting comments from the public and industry whether the regulations should be amended.

Timetable:

Action	Date	FR Cite
ANPRM	11/03/00	65 FR 67669
ANPRM Comment Period End	01/12/01	
NPRM	06/00/02	

Regulatory Flexibility Analysis Required: Undetermined

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC25

**COMMERCE IN EXPLOSIVES--
SPORT ROCKET MOTORS**

Priority: Substantive, Nonsignificant

Legal Authority: 18 USC 847

CFR Citation: 27 CFR 55

Legal Deadline: None

Abstract: ATF is amending the regulations to clarify which explosives are not subject to ATF importation, distribution, and storage requirements.

Timetable:

Action	Date	FR Cite
NPRM	06/00/02	
NPRM Comment Period End	08/00/02	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC30

**COMMERCE IN EXPLOSIVES
(INCLUDING EXPLOSIVES IN
THE FIREWORKS INDUSTRY)**

Priority: Other Significant

Legal Authority: 5 USC 552(a); 31 USC 9303; 31 USC 9304; 40 USC 304(k); 18 USC 847; 18 USC 921 to 930; 18 USC 1261; 19 USC 1612; 19 USC 1613; 19 USC 1618; 26 USC 7101; 26 USC 7322 to 7326; 31 USC 9301

CFR Citation: 27 CFR 55

Legal Deadline: None

Abstract: Pursuant to section 610 of the Regulatory Flexibility Act, ATF published a notice on January 10, 1997, seeking public comments on whether it should revise its regulations, codified at 27 CFR part 55, governing Commerce in Explosives (Including Explosives in the Fire-works Industry). Based on comments received, ATF plans to initiate a rulemaking to revise these regulations in 2001.

Statement of Need: This notice of proposed rulemaking will address many of the issues in part 55, Commerce in Explosives, especially the issues in requirements for explosives, including fireworks explosive materials. Pursuant to the periodic review requirements of the Regulatory Flexibility Act (5 U.S.C. 610), ATF published on January 10, 1997 a General Notice initiating the review of a final rule published in 1990 concerning the storage of fireworks explosives materials. The 1990 rule, which was issued as a result of the number and severity of explosions occurring on the premises of special fireworks plants, amended certain regulations codified at 27 CFR part 55, generally concerning the record-keeping and storage of fireworks explosive materials. The regulations also codified two fireworks related rulings issued in 1979 and 1985, and the provisions of Public Law 99-308 relating to black powder. As a result of the public comments received in response to the General Notice and further study of this issue, ATF will issue a notice of proposed rulemaking covering this and related commerce and storage of explosives issues.

Summary of Legal Basis: 18 U.S.C. 847 grants the Secretary of the Treasury broad discretion to promulgate regulations necessary for the importation, manufacture, distribution, and safe storage of explosives materials. 18 U.S.C. 846 authorizes the Secretary to prescribe precautionary measures to prevent the recurrence of accidental explosions in which explosive materials were involved. The General Notice and upcoming notice of proposed rulemaking are also being issued pursuant to section 610 of the Regulatory Flexibility Act (5 U.S.C. 610), which requires an agency to review within 10 years of publication rules for which an agency prepared a final regulatory flexibility analysis addressing the impact of the rule on small businesses or other small entities.

Alternatives: Alternatives will be examined in the context of public comments to the notice of proposed rulemaking.

Anticipated Cost and Benefits: Unknown at this time.

Risks: Not applicable.

Timetable:

Action	Date	FR Cite
General Notice of Review	01/10/97	62 FR 1386
NPRM	04/00/02	

Regulatory Flexibility Analysis Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226 Phone: 202 927-8210

RIN: 1512-AB48

IMPLEMENTATION OF PUBLIC LAW 104-208, THE OMNIBUS CONSOLIDATED APPROPRIATIONS ACT OF 1997, RELATING TO THE ESTABLISHMENT OF A NATIONAL REPOSITORY FOR ARSON AND EXPLOSIVES INFORMATION

Priority: Substantive, Nonsignificant

Legal Authority: 18 USC 846(b)

CFR Citation: 27 CFR 55

Legal Deadline: None

Abstract: ATF will issue this temporary rule to implement certain provisions of Public Law 104-208, the Omnibus Consolidated Appropriations Act of 1997 (the Act), enacted September 30, 1996. The Act amended the Federal explosives laws in 18 U.S.C. chapter 40, to require all Federal agencies to report to ATF any information involving arson or the suspected criminal misuse of explosives. The Act also authorizes ATF to establish a repository for this information. In addition, the law provides that such repository will contain information on incidents voluntarily reported to ATF by State and local authorities.

Timetable:

Action	Date	FR Cite
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NPRM	12/00/01	
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Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226 Phone: 202 927-8210

RIN: 1512-AB73

FIREARMS

IMPLEMENTATION OF PUBLIC LAW 105-277, MAKING OMNIBUS CONSOLIDATED AND EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FY 1999, RELATING TO THE PERMANENT PROVISIONS OF THE BRADY HANDGUN VIOLENCE PREVENTION ACT

Priority: Substantive, Nonsignificant

Legal Authority: 5 USC 552(a); 18 USC 847; 18 USC 921 to 930; 44 USC 3504(h)

CFR Citation: 27 CFR 178

Legal Deadline: None

Abstract: ATF will amend the regulations to implement the provision of Public Law 105-277, Making Omnibus Consolidated and Emergency Supplemental Appropriations for Fiscal Year 1999, relating to the permanent provisions of the Brady Handgun Violence Prevention Act. The new law allows a licensed pawnbroker to contact the national instant criminal background check system (NICS) prior to taking or receiving a firearm in pawn. If NICS advises the pawnbroker that receipt or possession of the firearm would be in violation of the law, the licensee must advise local law enforcement within 48 hours after receipt of information.

Timetable:

Action	Date	FR Cite
NPRM	06/00/02	

Regulatory Flexibility Analysis Required: No

Government Levels Affected:
Federal

Agency Contact: James Ficarella, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AB83

PUBLIC LAW 105-277, MAKING OMNIBUS CONSOLIDATED AND EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FY99,

RELATING TO FIREARMS DISABILITIES FOR NON-IMMIGRANT ALIENS

Priority: Substantive, Nonsignificant

Legal Authority: 5 USC 552(a); 18 USC 847; 18 USC 921 to 930; 44 USC 3504(h)

CFR Citation: 27 CFR 178

Legal Deadline: None

Abstract: ATF will issue a temporary rule amending the regulations to implement the provisions of Public Law 105-277, Making Omnibus Consolidated and Emergency Supplemental Appropriations for Fiscal Year 1999. The regulations implement the law by prohibiting, with certain exceptions, the transfer to and possession of firearms by aliens admitted to the United States under a nonimmigrant visa. Regulations are also prescribed with regard to applicants for dealer's licenses to certify that secure gun storage or safety devices will be available at any place where firearms are sold to nonlicensed individuals, and an amended definition of "antique firearm" to include certain muzzle loading firearms.

Timetable:

Action	Date	FR Cite
NPRM	03/00/02	
Interim Final Rule	03/00/02	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AB93

PROCEDURAL

PLAIN LANGUAGE IN PART 7

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 7

Legal Deadline: None

Abstract: This project revises regulations to plain language. The revision will make no substantive changes to the current 27 CFR part 7.

Timetable:

Action	Date	FR Cite
NPRM	01/00/02	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser, ATF Specialist, Department of the

Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC10

TOBACCO PRODUCTS

ELIMINATION OF APPLICATION TO REMOVE TOBACCO PRODUCTS FROM MANUFACTURER'S PREMISES FOR EXPERIMENTAL PURPOSES

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 5704

CFR Citation: 27 CFR 270

Legal Deadline: None

Abstract: This rule eliminates the requirements that manufacturers of tobacco products apply to ATF to remove tobacco products from their factories in bond for experimental purposes and replaces it with records.

Timetable:

Action	Date	FR Cite
NPRM	10/17/01	66 FR 52730

NPRM Comment

Period End 12/17/01

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC32

ELIMINATION OF STATIS-TICAL CLASSES FOR LARGE CIGARS

Priority: Substantive, Nonsignificant

Legal Authority: Not Yet Determined

CFR Citation: 27 CFR 270; 27 CFR 275

Legal Deadline: None

Abstract: This notice proposes to eliminate reporting categories in regulations.

Timetable:

Action	Date	FR Cite
NPRM	12/00/01	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC33

IMPLEMENTATION OF SEC. 1908 OF PUBLIC LAW 100-418

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 44

Legal Deadline: None

Abstract: The temporary rule prescribes ATF regulations relating to section 1908 of Public Law 100-418. This section allowed the Secretary of the Treasury to establish a separate class of customs bonded warehouses for duty-free sales enterprises.

Timetable:

Action	Date	FR Cite
NPRM	12/00/01	
Interim Final Rule	12/00/01	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AC56

FINAL RULE STAGE

ALCOHOL

AMERICAN VITICULTURAL AREAS

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 9

Legal Deadline: None

Abstract: This rule establishes grape-growing regions as American viticultural areas for purposes of labeling and advertising of wine.

Timetable:

Action	Date	FR Cite
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Buena Vista Lake, CA (contact Nancy Sutton)		
End Review	08/01/01	

California Coast, CA (contact Nancy Sutton)		
NPRM	09/26/00	65 FR 57763
Final Action	To Be Determined	

Diamond Mountain, CA (contact Jennifer Berry)		
NPRM	09/29/99	64 FR 52483
NPRM Comment Period End	01/28/00	
Final Action	06/01/01	66 FR 29695

Long Island (contact Lisa Gesser)		
NPRM	11/06/00	65 FR 66518
Final Action	05/15/01	66 FR 26789

Oak Knoll District, CA (contact Joyce Drake)		
NPRM	12/00/01	

Realignment of Alexander Valley and Dry Creek Valley Viticultural Areas (contact Nancy Sutton)		
NPRM	02/02/01	66 FR 8925
Final Action	10/04/01	66 FR 50564

River Junction, CA (contact Tim DeVanney)		
NPRM	08/10/00	65 FR 48953
Final Action	05/09/01	66 FR 23589

Rockpile AVA (contact Nancy Sutton)		
NPRM	05/01/01	66 FR 21707
Final Action	01/00/02	

Santa Rita Hills, CA (contact Joyce Drake)		
NPRM	09/11/98	63 FR 48658
Comment Period End	12/10/98	
Final Rule	05/31/01	66 FR 29476

West Elks (contact Lisa Gesser)		
NPRM	10/16/00	65 FR 61129
Final Rule	03/06/01	66 FR 13429
Final Action Effective	05/07/01	

Regulatory Flexibility Analysis Required:
No

Government Levels Affected: None

Agency Contact: See Timetable. American Viticultural Areas, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8230

RIN: 1512-AA07

LABELING OF UNAGED GRAPE BRANDY

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 5

Legal Deadline: None

Abstract: ATF proposes to amend the regulations to permit the use of the word "unaged" as an alternative to "immature," to describe grape brandy that has not been stored in oak containers.

Timetable:

Action	Date	FR Cite
NPRM	06/13/96	61 FR 30015
NPRM Comment	Period End 09/11/96	
Final Action	05/00/02	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AB46

IMPLEMENTATION OF WINE CREDIT PROVISIONS OF PUBLIC LAW 104-188

Priority: Substantive, Nonsignificant

Legal Authority: 5 USC 552(a); 26 USC 5041

CFR Citation: 27 CFR 24.278; 27 CFR 24.279

Legal Deadline: None

Abstract: ATF is amending wine regulations to implement a change in the law that allows certain transferees in bond to deduct the tax credit for small wine producers. Changes to bond calculations are also included in this regulation.

Timetable:

Action	Date	FR Cite
NPRM	06/02/97	62 FR 29681
Interim Final Rule	06/02/97	62 FR 29663
NPRM Comment	Period End 08/01/97	
Final Action	12/00/01	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210
Email: mdruhf@atfhq.atf.treas.gov

RIN: 1512-AB65

IMPLEMENTATION OF PUBLIC LAW 105-34, SECTION 1416, RELATING TO REFUND OF TAX FOR DOMESTIC WINE RETURNED TO BOND REGARDLESS OF MERCHANT-ABILITY (TAXPAYER RELIEF ACT OF 1997)

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 5044; 26 USC 5361; 26 USC 5367; 26 USC 5371

CFR Citation: 27 CFR 24.66; 27 CFR 24.295; 27 CFR 24.312

Legal Deadline: None

Abstract: ATF is issuing changes to the wine regulations as a result of the enactment of the Taxpayer Relief Act of 1997 and the Internal Revenue Service Reconstruction and Reform Act of 1998. This amendment informs interested parties of changes by these acts that provide for a refund of the tax for all wine returned to bond, rather than exclusively for unmerchantable or domestic wine returned to bond.

Timetable:

Action	Date	FR Cite
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Interim Final Rule 12/00/01

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AB74

HEALTH CLAIMS AND OTHER HEALTH RELATED STATEMENTS IN THE LABELING AND ADVERTISING OF ALCOHOL BEVERAGES

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 4; 27 CFR 5; 27 CFR 7

Legal Deadline: None

Abstract: ATF proposes to amend the regulations to prohibit the appearance on labels or in advertisements of any statement that makes a substantive claim regarding health benefits associated with the consumption of alcohol beverages unless such claim is properly qualified. This notice also addresses the use of directional health-related statements and seeks comments on whether the negative consequences of alcohol consumption, or abuse disqualify these products entirely from entitlement to any health-related statements.

Timetable:

Action	Date	FR Cite
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NPRM 10/25/99 64 FR 57413

NPRM Comment
Period End 02/22/00

Public Hearing 02/28/00 65 FR 10434

Cancellation/Rescheduling
of Hearing 04/25/00 65 FR 24158

Comment Period
Extended 04/25/00 65 FR 24158

Final Action 06/00/02

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AB97

RECODIFICATION OF PART 251

Priority: Substantive, Nonsignificant

Legal Authority: 19 USC 81(c); 19 USC 1202; 26 USC 5001; 26 USC 5007; 26 USC 5008; 26 USC 5041; 26 USC 5051; 26 USC 5054; 26 USC 5061; 26 USC 5111; 26 USC 5112; 26 USC 5114; 26 USC 5121; 26 USC 5122; 26 USC 5124; 26 USC 5201; 26 USC 5205; 26 USC 5207; 26 USC 5232; 26 USC 5273; 26 USC 5301; 26 USC 5313; 26 USC 5355; 26 USC 6302; 26 USC 7805; 27 USC 203; 27 USC 205; 27 USC 206; 27 USC 215.

CFR Citation: 27 CFR 251

Legal Deadline: None

Abstract: Part 251 will be updated and recodified. It will be reissued as 27 CFR part 27.

Timetable:

Action	Date	FR Cite
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NPRM	08/05/96	61 FR 40568
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Final Action 01/00/02

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Jennifer Berry, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 111 W. Huron Street, Room 219, Buffalo, NY 14202-2301
Phone: 716 551-4048

RIN: 1512-AC27

ALBARINO, BLACK CORINTH AND FIANO GRAPE VARIETIES

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 4

Legal Deadline: None

Abstract: ATF has received petitions proposing to add the Albarino, Black Corinth and Fiano grapes to the list of prime grape variety names for use in designating American wines.

Timetable:

Action	Date	FR Cite
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NPRM 07/19/01 66 FR 37609

Final Action 02/00/02

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Jennifer Berry, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 111 W. Huron Street, Room 219, Buffalo, NY 14202-2301
Phone: 716 551-4048

RIN: 1512-AC29

LIQUOR DEALERS; RECODIFICATION OF REGULATIONS

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 31; 27 CFR 194

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is recodifying the regulations pertaining to liquor dealers. The purpose of this recodification is to reissue the regulations in part 194 of title 27 of the Code of Federal Regulations (CFR) as 27 CFR part 31. This change improves the organization of title 27 CFR.

Timetable:

Action	Date	FR Cite
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Final Action 12/00/01

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Joanne Saponare, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, Bureau of Alcohol, Tobacco and Firearms
Phone: 215 597-5739

RIN: 1512-AC45

DELEGATION OF AUTHORITY IN 27 CFR PART 31

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 31

Legal Deadline: None

Abstract: This final rule places all ATF authorities contained in part 31, title 27 of the Code of Federal Regulations (CFR), with the "appropriate ATF officer" and requires that persons file documents required by 27 CFR part 31 with the "appropriate ATF officer" or in accordance with the instructions on the form. Also, this final rule removes the definitions of, and references to, specific officers subordinate to the Director.

Timetable:

Action	Date	FR Cite
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Final Action 02/00/02

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Joanne Saponare, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, Bureau of Alcohol, Tobacco and Firearms
Phone: 215 597-5739

RIN: 1512-AC49

FIREARMS

COMMERCE IN FIREARMS AND AMMUNITION (OMNIBUS CONSOLIDATED APPROPRIATIONS ACT OF 1997)

Priority: Substantive, Nonsignificant

Legal Authority: 18 USC 847; 18 USC 921 to 930

CFR Citation: 27 CFR 178

Legal Deadline: None

Abstract: The Omnibus Consolidated Appropriations Act of 1997 contains amendments to the Gun Control Act of 1986 (18 U.S.C. chapter 44). These amendments add to the category of "prohibited persons" anyone convicted of a "misdemeanor crime of domestic

violence." The amendments require individuals acquiring handguns from Federal firearms licenses to certify (in accordance with the Brady Law) that they have not been convicted of such a crime. The amendments also provide for sales between Federal firearms licensees of curio and relic firearms away from their licensed premises.

Timetable:

Action	Date	FR Cite
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NPRM 06/30/98 63 FR 35551

Interim Final Rule 06/30/98 63 FR 35520

NPRM Comment Period End 09/28/98

Final Action 03/00/02

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AB64

RESIDENCY REQUIREMENT FOR PERSONS ACQUIRING FIREARMS

Priority: Other Significant

Legal Authority: 5 USC 552(a); 18

USC 847; 18 USC 921 to 930; 44 USC 3504(h)

CFR Citation: 27 CFR 178

Legal Deadline: None

Abstract: The temporary rule amends the regulations to provide for a firearms purchaser's affirmative statement of his or her State of residence on ATF Form 4473 (Firearms Transaction Record) and ATF Form 5300.35 (Statement of Intent to Obtain a Handgun) in acquiring a firearm from a Federal firearms licensee. The temporary rule also amends the regulations to require that aliens purchasing a firearm provide proof of residency through the use of substantiating documentation, such as utility bills or a lease agreement. In addition, the regulations are being amended to require that licensees examine a photo identification document from aliens purchasing firearms. These regulations implement President Clinton's March 5, 1997 announcement of firearms initiatives intended to protect the American public from gun violence.

Timetable:

Action	Date	FR Cite
NPRM	04/21/97	62 FR 19446
Interim Final Rule	04/21/97	62 FR 19442
NPRM Comment Period End	07/21/97	
Final Action	01/00/02	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AB66

COMMERCE IN FIREARMS AND AMMUNITION--ANNUAL INVENTORY

Priority: Substantive, Nonsignificant

Legal Authority: 5 USC 552(a); 18 USC 847; 18 USC 921 to 930; 44 USC 3504(h)

CFR Citation: 27 CFR 178

Legal Deadline: None

Abstract: ATF is proposing to amend the regulations to require federally licensed importers, manufacturers, and dealers of firearms to take at least one physical inventory each year. The proposed regulations also specify the circumstances under which these licensees must conduct a special physical inventory. In addition, these proposed regulations clarify who is responsible for reporting a firearm that is stolen or lost in transit between licensees.

Timetable:

Action	Date	FR Cite
NPRM	08/28/00	65 FR 52054
Final Action	05/00/02	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: James Ficaretta, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC08

TOBACCO PRODUCTS

IMPORTATION OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES; RECODIFICATION OF REGULATIONS

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 41; 27 CFR 275

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is recodifying the regulations in part 275, Importation of Tobacco Products and Cigarette Papers and Tubes. The purpose of this recodification is to reissue the regulations in part 275 of title 27 of the Code of Federal Regulations (CFR) as 27 CFR part 41. This change improves the organization of title 27 CFR.

Timetable:

Action	Date	FR Cite
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Final Action 12/00/01

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Nancy Sutton, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 221 Main Street, 11th Floor, San Francisco, CA 94105
Phone: 415 947-5192

RIN: 1512-AC46

LONG-TERM ACTIONS

ALCOHOL

EXPORTATION OF LIQUORS

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 252

Timetable:

Action	Date	FR Cite
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ANPRM 09/08/92 57 FR 40887

ANPRM Comment
Period End 10/08/92

ANPRM Comment Period
Extended 10/15/92 57 FR 47320

ANPRM Comment Period
Extended End 12/07/92

ANPRM 08/09/96 61 FR 41500

ANPRM Comment
Period End 12/10/96

NPRM To Be Determined

**Regulatory Flexibility Analysis
Required: No**

Government Levels Affected: None

Agency Contacts: Marjorie D. Ruhf
Phone: 202 927-8210
Email: mdruh@atfhq.atf.treas.gov

William Foster
Phone: 202 927-8210

RIN: 1512-AA98

**ALCOHOLIC CONTENT LABEL-
ING FOR MALT BEVERAGES**

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 7

Timetable:

Action	Date	FR Cite
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NPRM	04/19/93	58 FR 21233
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Interim Final Rule	04/19/93	58 FR 21228
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NPRM Comment
Period End 07/19/93

NPRM Comment Period
Extended 07/19/93 58 FR 38543

NPRM Comment Period
Extended End 09/17/93

NPRM To Be Determined

**Regulatory Flexibility Analysis
Required: No**

Government Levels Affected: None

Agency Contact: William Foster
Phone: 202 927-8210

RIN: 1512-AB17

**DISTRIBUTION OF DENATURED
ALCOHOL AND RUM**

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 20

Timetable:

Action	Date	FR Cite
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ANPRM	06/13/96	61 FR 30019
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ANPRM Comment
Period End 08/12/96

NPRM 07/17/01 66 FR 37198

NPRM Comment Period
End 09/17/01

Final Action To Be Determined

**Regulatory Flexibility Analysis
Required: No**

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf
Phone: 202 927-8210

RIN: 1512-AB57

DISTILLED SPIRITS PLANT REGULATORY INITIATIVE PROPOSAL

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 19.11; 27 CFR 19.1003; 27 CFR 19.1010; 27 CFR 19.49; 27 CFR 19.153; 27 CFR 19.201 to 206; 27 CFR 19.311; 27 CFR 19.454; 27 CFR 19.605; 27 CFR 19.770; 27 CFR 19.1001

Timetable:

Action	Date	FR Cite
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NPRM 11/30/98 63 FR 65720

NPRM Comment
Period End 01/29/99

Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Steve Simon
Phone: 202 927-8210

RIN: 1512-AB58

PROHIBITION OF ALCOHOL BEVERAGE CONTAINERS AND STANDARD OF FILL FOR DISTILLED SPIRITS AND WINE

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 4; 27 CFR 5; 27 CFR 7

Timetable:

Action	Date	FR Cite
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NPRM 02/09/99 64 FR 6486

NPRM Comment
Period End 04/12/99

Revised NPRM To Be Determined

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: William Foster
Phone: 202 927-8210

RIN: 1512-AB89

SAKE REGULATIONS

Priority: Substantive, Nonsignificant

CFR Citation: Not Yet Determined

Timetable: Next Action Undetermined

Regulatory Flexibility Analysis Required: Undetermined

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: William Foster

Phone: 202 927-8210

RIN: 1512-AC09

FLAVORED MALT BEVERAGES

Priority: Substantive, Nonsignificant

CFR Citation: Not Yet Determined

Timetable: Next Action Undetermined

Regulatory Flexibility Analysis Required: Undetermined

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: William Foster

Phone: 202 927-8210

RIN: 1512-AC11

REMOVAL OF REQUIREMENT TO DISCLOSE SACCHARIN IN THE LABELING OF WINE, DIS-TILLED SPIRITS AND MALT BEVERAGES

Priority: Info./Admin./Other

CFR Citation: 27 CFR 4.32(d); 27 CFR 5.32(b)(6); 27 CFR 7.22(b)(5)

Timetable: Next Action Undetermined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf

Phone: 202 927-8210

Email: mdruhf@atfhq.atf.treas.gov

RIN: 1512-AC17

DELEGATION OF AUTHORITY IN 27 CFR PART 252

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 252

Legal Deadline: None

Abstract: This final rule places most ATF authorities with the "appropriate ATF officer" and requires that persons file documents with the "appropriate ATF officer" or in accordance with the instructions on the ATF form.

Timetable: Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AC44

PRODUCTION OF AGRICULTURAL WINES

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 5381; 26 USC 5382; 26 USC 5385; 26 USC 5386; 26 USC 5387

CFR Citation: 27 CFR 24

Legal Deadline: None

Abstract: ATF has received two petitions relating to the production of agricultural wines. One petition proposes that the wine regulations be amended to allow for the production of dried fruit wines with an alcohol by volume content of more than 14 percent. The second petition proposes that the regulations be amended to allow for the production of honey wines with a starting Brix of less than 22 degrees.

Timetable:

Action	Date	FR Cite
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NPRM To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Jennifer Berry, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 111 W. Huron Street, Room 219, Buffalo, NY 14202-2301

Phone: 716 551-4048

RIN: 1512-AC48

PETITION TO AMEND THE STANDARDS OF IDENTITY FOR WHISKY AND BRANDY

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205(e)

CFR Citation: 27 CFR 5.22

Legal Deadline: None

Abstract: A petitioner has proposed that the regulations in 27 CFR part 5 be amended to: (1) provide for the use of oak chips, in lieu of barrel aging, as a method for aging distilled spirits; (2) allow for the use of used sherry or port barrels in the aging of whisky; (3) allow brandy aged only with wood chips to be exempt from the classification as "immature brandy;" (4) allow for the use of malt or wheat extract (made from a full mash) to be used interchangeably with fermented full malt mash in formulations; and (5) allow for the use of corn sugar (made from corn mash) to be used interchangeably with fermented full corn mash formulations.

Timetable: Next Action Undetermined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Daniel J. Hiland, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC51

Phone: 202 927-8210

**PROPOSED REVISIONS TO 27
CFR PART 19, SUBPART W**

RIN: 1512-AC52

**PETITION TO ESTABLISH THE
SANTA BARBARA HIGHLANDS
VITICULTURAL AREA**

Priority: Substantive, Nonsignificant

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 7805

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 19, subpart W

CFR Citation: 27 CFR 9

Legal Deadline: None

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is proposing to amend the regulations in 27 CFR part 19, subpart W, which prescribe the records that must be maintained and the reports that must be filed by distilled spirits plant proprietors. ATF believes that these proposed changes will benefit the distilled spirits industry by modernizing the requirements for records and reports and thereby allowing proprietors to operate in a more efficient manner.

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) has received a petition proposing the establishment of Santa Barbara Highlands as an American Viticultural Area (AVA). The proposed Santa Barbara Highlands area is located in Santa Barbara and Ventura counties in California. The petition was submitted by Mr. Nebil Zarif, President, Barnwood Vineyards.

Timetable:

Timetable:

Action	Date	FR Cite
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Action	Date	FR Cite
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NPRM To Be Determined

NPRM To Be Determined

**Regulatory Flexibility Analysis
Required:** No

**Regulatory Flexibility Analysis
Required:** No

Small Entities Affected: No

Small Entities Affected: No

Government Levels Affected: None

Government Levels Affected: None

Agency Contact: Daniel J. Hiland, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Agency Contact: Kristy Colon, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms

Phone: 202 927-8206

RIN: 1512-AC53

**DELEGATION OF AUTHORITY IN
27 CFR PART 251**

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 251

Legal Deadline: None

Abstract: This final rule places most ATF authorities with the "appropriate ATF officer" and requires that persons file documents with the "appropriate ATF officer" or in accordance with the instructions on the ATF form.

Timetable:

Action	Date	FR Cite
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Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AC58

**PROPOSED SAN BERNABE
VITICULTURAL AREA**

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 9

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) has received petitions proposing the establishment of the San Bernabe viticultural area and the realignment of the San Lucas American Viticultural Area (AVA). Both areas are situated within the Central Coast AVA, the Monterey AVA, and are located in central Monterey County, California. The proposed San Bernabe AVA would consist of 24,796 acres of land that the petitioner states is predominantly rolling hills with sandy soils that differ from the surrounding Monterey AVA. The San Lucas realignment would transfer 1,100 of its northwest acres to the proposed San Bernabe southern area in an effort to conform with geographic considerations of the new area. These proposals are the result of petitions filed by Claude Hoover of Delicato Family Vineyards.

Timetable: Next Action Undetermined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Nancy Sutton, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, Bureau of Alcohol, Tobacco and Firearms.

Phone: 415 947-5192

RIN: 1512-AC60

PETITION TO ESTABLISH THE TRINITY LAKE VITICULTURAL AREA

Priority: Substantive, Nonsignificant

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 9

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) has received a petition from Keith Groves of Alpen Cellars proposing the establishment of a viticultural area located in Trinity County, California. The proposed Trinity Lake viticultural area consists of approximately 96,000 acres.

Timetable: Next Action Undetermined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Nancy Sutton, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and

Firearms, Bureau of Alcohol, Tobacco and Firearms.

Phone: 415 947-5192

RIN: 1512-AC62

CORRECTION OF TECHNICAL ERROR IN 27 CFR PART 4

Priority: Info./Admin./Other

Legal Authority: 27 USC 205

CFR Citation: 27 CFR 4

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is correcting a technical error in 4.22(b) regarding the ameliorating of non-grape wines.

Timetable:

Action	Date	FR Cite
NPRM	To Be Determined	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Jennifer Berry, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 111 W. Huron Street, Room 219, Buffalo, NY 14202-2301

Phone: 716 551-4048

RIN: 1512-AC63

PROCEDURAL

IMPLEMENTATION OF THE PAPERWORK REDUCTION ACT

Priority: Info./Admin./Other

CFR Citation: 5 CFR 1320.7(f)(2)

Timetable:

Action	Date	FR Cite
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Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Nancy M. Kern
Phone: 202 927-8076.

RIN: 1512-AB90

DELEGATION OF AUTHORITY IN 27 CFR PART 19

Priority: Info./Admin./Other

CFR Citation: 27 CFR 19

Timetable:

Action	Date	FR Cite
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Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf
Phone: 202 927-8210

RIN: 1512-AC06

TOBACCO PRODUCTS

BALANCED BUDGET ACT OF 1997, PUBLIC LAW 105-33, RESTRICTION ON THE IMPORTATION OF DOMESTIC TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES RETURNED TO THE UNITED STATES

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 200; 27 CFR 270; 27 CFR 275; 27 CFR 290

Timetable:

Action	Date	FR Cite
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Interim Final Rule 12/22/9964 64 FR 71918

Interim Final Rule Comment Period End 02/22/00

Reopening of Comment Period End 04/20/00

Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Daniel J. Hiland
Phone: 202 927-8210

RIN: 1512-AB81

IMPLEMENTATION OF PUBLIC LAW 105-33, SECTION 9302, REQUIRING THE QUALIFICATION OF TOBACCO PRODUCT IMPORTERS AND MISCELLANEOUS TECHNICAL AMENDMENTS

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 275

Timetable:

Action	Date	FR Cite
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NPRM 12/22/99 64 FR 71955

Interim Final Rule 12/22/99 64 FR 71947

Interim Final Rule Effective 01/01/00

Interim Final RuleComment Period End 05/03/00 65 FR 17477

Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf
Phone: 202 927-8210

RIN: 1512-AC07

PROHIBITED MARKS ON PACKAGES OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES IMPORTED OR BROUGHT INTO THE UNITED STATES

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 275

Timetable:

Action	Date	FR Cite
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NPRM To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: Businesses

Government Levels Affected: None

Agency Contact: Robert P. Ruhf

Phone: 202 927-8210

RIN: 1512-AC14

DETERMINATION OF TAX AND RECORDKEEPING ON LARGE CIGARS

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 270; 27 CFR 275

Timetable:

Action	Date	FR Cite
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NPRM To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf

Phone: 202 927-8210

RIN: 1512-AC22

TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES SHIPPED FROM PUERTO RICO TO THE UNITED STATES

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 275

Timetable:

Action	Date	FR Cite
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NPRM 03/08/01 66 FR 13864

NPRM Comment
Period End 05/07/01

Interim Final
Rule 03/08/01 66 FR 13849

Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf

Phone: 202 927-8210

RIN: 1512-AC24

DELEGATION OF AUTHORITY IN 27 CFR PART 44

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 44

Legal Deadline: None

Abstract: This final rule places most ATF authorities with the appropriate ATF officer and requires that persons file documents with the appropriate ATF officer or in accordance with the instructions on the ATF form.

Timetable:

Action	Date	FR Cite
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Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco

and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AC36

DELEGATION OF AUTHORITY IN 27 CFR PART 40

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 40

Legal Deadline: None

Abstract: This final rule places most ATF authorities with the "appropriate ATF officer" and requires that persons file documents with the "appropriate ATF officer" or in accordance with the instructions on the ATF form.

Timetable:

Action	Date	FR Cite
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Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AC54

SHIPMENTS OF TOBACCO PRODUCTS OR CIGARETTE PAPERS OR TUBES WITHOUT PAYMENT OF TAX.

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 40; 27 CFR 275

Legal Deadline: None

Abstract: The proposed rule clarifies regulations and establishes procedures governing tobacco products or cigarette papers or tubes brought in bond from Puerto Rico to the United States. In addition, the proposed rule would allow a manufacturer of tobacco products to receive in bond, cigarette papers and tubes for placement in packages of roll-your-own tobacco and would eliminate filing bond extensions for tobacco products and cigarette papers or tubes from the Virgin Islands.

Timetable:

Action	Date	FR Cite
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NPRM To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf,

Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AC57

DELEGATION OF AUTHORITY IN 27 CFR PARTS 45 AND 46

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 45; 27 CFR 46

Legal Deadline: None

Abstract: This final rule places most ATF authorities with the "appropriate ATF officer" and requires that persons file documents with the "appropriate ATF officer" or in accordance with instructions on the ATF form.

Timetable:

Action	Date	FR Cite
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Final Action To Be Determined

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226

Phone: 202 927-8210

RIN: 1512-AC59

VOLUNTARY WAIVER OF FILING CLAIM FOR CREDIT, REFUND, ALLOWANCE OR CREDIT OF TAX FOR TOBACCO PRODUCTS MANUFACTURED IN CANADA

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 5142; 26 USC 5143; 26 USC 5146; 26 USC 5701; 26 USC 5703; ...

CFR Citation: 27 CFR 44

Legal Deadline: None

Abstract: This rule amends ATF regulations so as to preclude the payment of a credit, refund, allowance or drawback of the excise tax that is collected under the internal revenue laws on imported Canadian tobacco products, where the person who paid the tax has received a recovery from the Government of Canada of an amount equivalent to the excise tax so collected. This final rule responds to actions taken by the Government of Canada with respect to tobacco products exported to the United States, whereby the United States importers of Canadian tobacco products may obtain a reimbursement from the Government of Canada of an amount equivalent to the United States excise taxes paid at the time of importation. No new requirements are imposed by the United States on importers who voluntarily participate in this Canadian program.

Timetable:

Action	Date	FR Cite
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Final Action	To Be Determined	
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Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC64

COMPLETED ACTIONS

DISTRIBUTION AND USE OF TAX-FREE ALCOHOL

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 22.21; 27 CFR 22.25 to 22.27; 27 CFR 22.43; 27 CFR 22.59; 27 CFR 22.60; 27 CFR 22.62; 27 CFR 22.63; 27 CFR 22.68; 27 CFR 22.152

Completed:

Reason	Date	FR Cite
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Final Action completed by TD	03/02/01	66 FR 13014
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Final Action Effective	05/01/01	
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Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf
Phone: 202 927-8210

RIN: 1512-AB51

PRODUCTION OF VOLATILE FRUIT FLAVORED CONCENTRATE

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 18.56

Completed:

Reason	Date	FR Cite
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Final Action	05/31/01	66 FR 29480
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Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf
Phone: 202 927-8210

Robert P. Ruhf
Phone: 202 927-8210

RIN: 1512-AB59

IMPLEMENTATION OF PUBLIC LAW 105-34, SECTION 1417, RELATED TO THE USE OF AMELIORATING MATERIAL IN CERTAIN WINES

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 24.178; 27 CFR 4.21; 27 CFR 4.22

Completed:

Reason	Date	FR Cite
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Final Action	07/19/01	66 FR 37576
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Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Jennifer Berry
Phone: 716 551-4048

RIN: 1512-AB78

PROCESSES AUTHORIZED FOR THE TREATMENT OF WINE, JUICE AND DISTILLING MATERIAL

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 24

Completed:

Reason	Date	FR Cite
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Withdrawn	08/27/01	
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Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Jennifer Berry
Phone: 202 927-8210

RIN: 1512-AC05

PETITION TO RECOGNIZE COUNOISE AND ST. LAURENT AS NEW GRAPE VARIETIES

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 4

Completed:

Reason	Date	FR Cite
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NPRM	04/17/01	66 FR 19738
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Final Action	09/27/01	66 FR 49279
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Final Action
Effective 11/26/01

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Jennifer Berry
Phone: 716 551-4048

RIN: 1512-AC26

RECODIFICATION OF PART 170 INTO PART 29

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 170; 27 CFR 17; 27 CFR 18; 27 CFR 19; 27 CFR 20;

Completed:

Reason	Date	FR Cite
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Final Action	08/15/01	66 FR 42735
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Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser
Phone: 202 927-8210

RIN: 1512-AC34

LIQUORS AND ARTICLES FROM PUERTO RICO AND THE VIRGIN ISLANDS; RECODIFICATION OF REGULATIONS

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 4; 27 CFR 5; 27 CFR 17; 27 CFR 19; 27 CFR 20.

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is recodifying the regulations pertaining to liquors and articles from Puerto Rico and the Virgin Islands. The purpose of this recodification is to reissue the regulations in 27 CFR part 250 as 27 CFR part 26. This change improves the organization of title 27 CFR.

Completed:

Reason	Date	FR Cite
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Final Action 07/25/01 66 FR 38547

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC40

IDENTIFICATION MARKINGS PLACED ON FIREARMS

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 178; 27 CFR 179

Completed:

Reason	Date	FR Cite
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Final Action 08/03/01 66 FR 40596

Final Action
Effective 01/30/02

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: James Ficaretta
Phone: 202 927-8210

RIN: 1512-AB84

RECODIFICATION OF STATEMENT OF PROCEDURAL RULES

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 70

Completed:

Reason	Date	FR Cite
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Withdrawn 08/22/01

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf
Phone: 202 927-8210
Email: mdruh@atfhq.atf.treas.gov

RIN: 1512-AB54

DELEGATION OF AUTHORITY IN 27 CFR PART 53

Priority: Info./Admin./Other

CFR Citation: 27 CFR 53

Completed:

Reason	Date	FR Cite
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Final Action 04/13/01 66 FR 19087

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser
Phone: 202 927-8210

RIN: 1512-AC18

DELEGATION OF AUTHORITY IN PART 70

Priority: Info./Admin./Other

CFR Citation: 27 CFR 70

Completed:

Reason	Date	FR Cite
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Final Action 05/29/01 66 FR 29021

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf
Phone: 202 927-8210

RIN: 1512-AC19

DELEGATION OF AUTHORITY IN 27 CFR PART 13

Priority: Info./Admin./Other

CFR Citation: 27 CFR 13

Completed:

Reason	Date	FR Cite
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Final Action 04/13/01 66 FR 19084

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser
Phone: 202 927-8210

RIN: 1512-AC21

**DELEGATION OF AUTHORITY IN
27 CFR PART 170**

Priority: Info./Admin./Other

CFR Citation: 27 CFR 170

Completed:

Reason	Date	FR Cite
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Final Action 02/02/01 66 FR 8768

**Regulatory Flexibility Analysis
Required:** No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser
Phone: 202 927-8210

RIN: 1512-AC23

**TECHNICAL AMENDMENTS TO
REGULATIONS**

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 55; 27 CFR 70;
27 CFR 270; 27 CFR 275

Legal Deadline: None

Abstract: This Treasury decision makes technical amendments and corrects typographical errors in parts 55, 70, 270, and 275 of title 27 Code of Federal Regulations. All changes are to provide clarity and uniformity throughout these regulations.

Completed:

Reason	Date	FR Cite
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Final Action 03/27/01 66 FR 16601

**Regulatory Flexibility Analysis
Required:** No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Nancy M. Kern,
Writer-Editor, Department of the
Treasury, Bureau of Alcohol, Tobacco
and Firearms, 650 Massachusetts
Avenue NW., Washington, DC 20226
Phone: 202 927-8076

RIN: 1512-AC37

**RULES OF PRACTICE IN PERMIT
PROCEEDINGS; RECODIFICA-
TION OF REGULATIONS**

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 1; 27 CFR 4;
27 CFR 5; 27 CFR 7; 27 CFR 12.

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is recodifying the regulations pertaining to the rules of practice in permit proceedings. The purpose of this recodification is to reissue the regulations in part 200 of title 27 of the Code of Federal Regulations (CFR) as 27 CFR part 71. This change improves the organization of tile 27 CFR.

Completed:

Reason	Date	FR Cite
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Final Action	08/15/01	66 FR 42731
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Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC43

EXPORTATION OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES, WITHOUT PAYMENT OF TAX, OR WITH DRAWDRAWBACK OF TAX

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 290

Completed:

Reason	Date	FR Cite
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Withdraw	08/22/01	
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Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Marjorie D. Ruhf
Phone: 202 927-8210
Email: mdruh@atfhq.atf.treas.gov

RIN: 1512-AB03

IMPLEMENTATION OF PUBLIC LAW 106-476, SECTIONS 4002 AND 4003, RELATING TO TOBACCO IMPORTATION RESTRICTIONS, MARKINGS, REPACKAGING AND DESTRUCTION OF FORFEITED TOBACCO PRODUCTS

Priority: Substantive, Nonsignificant

CFR Citation: 27 CFR 275; 27 CFR 290; 27 CFR 296

Completed:

Reason	Date	FR Cite
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Final Action	08/29/01	66 FR 45613
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Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Agency Contact: Daniel J. Hiland
Phone: 202 927-8210

RIN: 1512-AC35

DELEGATION OF AUTHORITY IN 27 CFR PART 250

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 250

Legal Deadline: None

Abstract: This final rule places all ATF authorities contained in title 27 CFR part 250 with the "appropriate ATF officer" and requires that persons file documents required by ATF regulations, with the "appropriate ATF officer" or in accordance with the instructions on the ATF form. Also, this final rule removes the definitions of, and references to, specific officers subordinate to the Director and the word "region."

Completed:

Reason	Date	FR Cite
Final Action	05/01/01	66 FR 21667

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf, Program Manager, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC38

MANUFACTURE OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES; RECODIFICATION OF REGULATIONS

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 40; 27 CFR 270; 27 CFR 46; 27 CFR 70; 27 CFR 200.

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms is recodifying the regulations in part 270, Manufacture of Tobacco Products and Cigarette Papers and Tubes, title 27 of the Code of Federal Regulations (CFR). The purpose of this recodification is to reissue the regulations in 27 CFR part 270 as 27 CFR part 40. This change improves the organization of title 27.

Completed:

Reason	Date	FR Cite
Final Action	07/27/01	66 FR 39091

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC39

TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES; RECODIFICATION OF REGULATIONS.

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 46; 27 CFR 70; 27 CFR 270; 27 CFR 275; 27 CFR 290; ...

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is recodifying the regulations in part 296, Miscellaneous Regulations Relating to Tobacco Products and Cigarette Papers and Tubes, title 27 of the Code of Federal Regulations (CFR). The purpose of this recodification is to reissue the regulations in 27 CFR part 296 as 27 CFR part 46. This change improves the organization of title 27 CFR.

Completed:

Reason	Date	FR Cite
Final Action	06/14/01	66 FR 32218

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC41

REMOVAL OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES, WITHOUT PAYMENT OF TAX FOR USE OF THE UNITED STATES; RECODIFICATION OF REGULATIONS.

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 40; 27 CFR 45; 27 CFR 70; 27 CFR 295

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF), is recodifying the regulations in part 295, Removal of Tobacco Products and Cigarette Papers and Tubes, Without Payment of Tax for Use of the United States, title 27 of the Code of Federal Regulations (CFR). The purpose of this recodification is to reissue the regulations in 27 CFR part 295 as 27 CFR part 45. This change improves the organization of title 27 CFR.

Completed:

Reason	Date	FR Cite
Final Action	11/13/01	66 FR 56757

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco

and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC42

EXPORTATION OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES, WITHOUT PAYMENT OF TAX, OR WITH DRAWBACK OF TAX; RECODIFICATION OF REGULATIONS

Priority: Info./Admin./Other

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 40; 27 CFR 44; 27 CFR 46; 27 CFR 70; 27 CFR 290

Legal Deadline: None

Abstract: The Bureau of Alcohol, Tobacco and Firearms (ATF) is recodifying the regulations pertaining to the exportation of tobacco products and cigarette papers and tubes, without payment of tax, or with drawback of tax. The purpose of this recodification is to reissue the regulations in part 290 of title 27 of the Code of Federal Regulations (CFR) as 27 CFR part 44. This change improves the organization of title 27 CFR.

Completed:

Reason	Date	FR Cite
Final Action	08/20/01	66 FR 43478

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Lisa Marie Gesser, ATF Specialist, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 650 Massachusetts Avenue NW., Washington, DC 20226
Phone: 202 927-8210

RIN: 1512-AC47

IMPLEMENTATION OF PUBLIC LAW 106-554 FOR CERTAIN AMENDMENTS RELATED TO THE BALANCED BUDGET ACT OF 1997

Priority: Substantive, Nonsignificant

Legal Authority: 26 USC 7805

CFR Citation: 27 CFR 40; 27 CFR 44; 27 CFR 275; 27 CFR 295

Legal Deadline: None

Abstract: This final rule revises the definition of manufacturer of cigarette papers and tubes and removes the definition of cigarette papers. As required by Public Law 106-544, the effective date of this rule is January 1, 2000.

Completed:

Reason	Date	FR Cite
Final Action	09/28/01	66 FR 49531

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Agency Contact: Robert P. Ruhf,
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DEPARTMENT OF THE TREASURY
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