

## Avoid Delays – Check Your Tobacco Importer Permit Expiration Date Now

By Mimi Mengos (513)684-7232

The National Revenue Center's (NRC) Wholesaler/Importer Units in Cincinnati are now processing applications to renew tobacco importer permits. Please note that some previously issued importer permits will expire on December 31, 2002, including a number of "conditional" one-year permits.

In order for the NRC to renew existing permits (and for your business to continue importing, uninterrupted), you must submit an "Application For Permit Under 26 U.S.C. Chapter 52 Importer of Tobacco Products" (ATF F 5230.4) prior to the expiration date.

- ✓ Tobacco Importer permits will be renewed for three-years. It's important to send in your renewal applications early to avoid possible delays in your operations.
- ✓ If you've had changes since filing your last application, such as changes in officers, stock, or ownership, please indicate these items in your application package.

The NRC advises all tobacco importers to check the expiration date block on their current Permit (ATF F 5200.24) and make sure that, if your expiration date is approaching, you've contacted the NRC and/or submitted the necessary paperwork for renewal.

Anyone needing further assistance should contact the National Revenue Center Wholesaler/Importer Units at 1-800-398-2282 (513-684-3337) or e-mail us at: [natlrevctr@cinc.atf.treas.gov](mailto:natlrevctr@cinc.atf.treas.gov). ■

## President Bush Signs the New Homeland Security Bill

By John Daffron (202)927-5000

On November 25<sup>th</sup> the President signed into law the new Department of Homeland Security. Included in the legislation were provisions affecting the transfer of the firearms, arson and explosive functions of ATF to the Department of Justice, and the establishment of a new Bureau within the Department of the Treasury for alcohol and tobacco. The new DOJ Bureau, titled the Bureau of Alcohol, Tobacco, Firearms and Explosives, is authorized as a separate and distinct entity. The new Treasury bureau will be titled the Tax and Trade Bureau.

Under the terms of the House measure, the DOJ Bureau, ATFE, will be responsible for investigation of criminal and regulatory violations of the Federal firearms, explosives, arson, and tobacco smuggling laws. In addition, the Attorney General is authorized to delegate other functions to the bureau as he may deem appropriate which involve violent crime or domestic terrorism.

The authorities, functions, personnel, and assets of ATF relating to the administration and enforcement of the Internal Revenue Code and Federal Alcohol Administration Act will remain in Treasury.

As the details of the transition are worked out we will provide updates in future newsletters. ■



## How to Properly Discontinue a Brewery Operation

By Loraine Craycraft (513)684-6961

The National Revenue Center (NRC) receives and processes a "Brewer's Notice" from every brewer who discontinues their business. Based on our experience, we have developed an "Out of Business" package which lists each step an industry member must go through to properly close their brewery physical premises and the files maintained by the NRC. If you are a brewer who will be closing your doors, you should call the NRC in advance, notify us that brewing operations will cease, and get an "Out of Business" package mailed to you. Here are the items that are included in this package along with some helpful hints for completing them:

- Brewer's Notice, ATF F 5130.10: Must be completed and include the date the brewery ceased or will cease operations.
- Excise Tax Return, ATF F 5000.24: Must be completed and clearly marked "**FINAL**", even if the liability for the last tax period is zero. All Excise Tax returns must be filed and paid prior to ATF releasing the Brewer's Bond.
- Brewer's Report of Operations, ATF F 5130.9 or Brewpub Report of Operations, ATF F 5130.26: Must be completed and clearly marked "**FINAL**." The ending on hand balance must be zero on ATF F 5130.9. In the remarks section you need to write, "Operations ceased as of: (date)." You must file all Brewer's Report of Operations or Brewpub Report of Operations that are outstanding.
- All Special Occupational Tax returns must be filed and paid prior to ATF releasing the Brewer's Bond.

Note that all beer remaining on hand must be lawfully disposed of. We may ask that ATF field Inspectors contact you and conduct a closeout inspection at your premises. Once we receive and verify your final paperwork, we will mail you a "Termination Letter", an "Approved Amended Final Brewer's Notice" and a "Bond Termination Letter", as applicable.

Anyone needing help obtaining or completing these, or any other brewery application forms, should contact the NRC at 1-800-398-2282 (513-684-3337) or e-mail us at: [natlrevctr@cinc.atf.treas.gov](mailto:natlrevctr@cinc.atf.treas.gov). ■

## Red Hot – Hill(s)

By Tim DeVanney (202)927-8196

The name "Red Hill" is garnering a lot of attention in the wine industry these days. We have received two petitions for viticultural areas using the name "Red Hill," and word is that the southern hemisphere is getting into the act, too. On October 30<sup>th</sup>, the Federal Register published Notices of Proposed Rulemakings (NPRMs) for Red Hill (Oregon) and Red Hills (California). Meanwhile, on the other side of the world, Australia and New Zealand are said to be in the process of establishing viticultural areas using the same name.

We published Notices No. 960--Red Hill (Oregon) and No. 961--Red Hills (California) simultaneously in order to solicit comments on the proposed names and to seek suggestions about eliminating possible name confusion. We are considering using the names "Red Hill—Oregon" and "Red Hills—California" to distinguish between the viticultural areas. In both cases, the viticultural area name would include the appropriate State name.

Notice 960, "Red Hill" (Oregon) results from a petition filed by Mr. Wayne Hitchings, a vineyard owner. The proposed viticultural area is in the State of Oregon in northeastern Douglas County and is entirely within the Umpqua Valley viticultural area. The proposed area consists of approximately 8.6 square miles or 5,500 acres. Mr. Hitchings, the sole grower within these boundaries, devotes approximately 194 acres to the cultivation of wine grapes. Currently, no bonded wineries exist in the proposed area.

Notice 961, "Red Hills" (California) results from a petition filed by Ms. Sara Schorske of Compliance Service of America on behalf of a group of grape growers in the Red Hills area. The petition proposes the establishment of the 31,250-acre "Red Hills" viticultural area in Lake County, California. This proposed viticultural area lies entirely within the Clear Lake viticultural area in Lake County, which lies, in turn, entirely within the multicounty North Coast viticultural area. ■

## Bennett Valley Viticultural Area Proposed

By Nancy Sutton (415)271-1254

On November 22, 2002, the Federal Register published a Notice of Proposed Rulemaking, Notice No. 963, requesting public comments on the petition to establish the Bennett Valley viticultural area. This area of northern California consists of approximately 8,140 acres of valley and upland area, with 650 acres currently planted to grapes. The proposed Bennett Valley viticultural area lies entirely in the North Coast viticultural area. It is predominantly within the Sonoma Valley viticultural area and also has small portions in the Sonoma Coast and Sonoma Mountain viticultural areas. The public comment period closes January 21, 2003. ■

## New Customer Service Phone Equipment in Alcohol Labeling & Formulation Division

By Marsha Heath (202)927-8140

The Alcohol Labeling and Formulation Division (ALFD) is committed to providing quality customer service to all our customers. To further our efforts to improve customer service, we recently installed equipment that monitors and records all telephone calls made to our Customer Service Team.

The ALFD Customer Service Team was established on March 27, 2000, to deal with inquiries, questions and concerns relating to beverage alcohol labeling and formulation. Since that date ALFD has made changes and improvements to our services based on the needs of the industry. This latest step is being taken to ensure the accuracy of the information being distributed to callers and for developmental and training purposed for our customer service specialists.

The ALFD Customer Service Team is dedicated to maintaining a positive reputation and great rapport with the alcohol industry. We are certain that this measure will be beneficial to everyone involved.

### ALFD Customer Service Team:

Reach us by telephone between 8:30 am and 4:30 pm (ET):

Toll free: 1-866-927-ALFD (2533)

Commercial: (202)927-8140

Contact us by e-mail anytime:  
[alfd@atfhq.atf.treas.gov](mailto:alfd@atfhq.atf.treas.gov)

## Public Health Security and Bioterrorism Preparedness and Response Act of 2002

By Theresa Glasscock (202) 927-8100

Are you aware of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, also referred to as the "Bioterrorism Act" (Public Law 107-88)? If not, please take the time to read this article.

President Bush signed the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, into law, on June 12, 2002. This legislation authorizes the Department of Health and Human Services to take specific measures to protect the nation's food and drug supplies against bioterrorist threats. Under the interpretation of this law, alcohol beverages are considered a food and as such the alcohol beverage industry is affected.

The FDA has been tasked with implementing PL 107-88. Some of the requirements of PL 107-88 include: the registration with FDA of "Food Facilities", which include alcohol beverages; record keeping requirements of the "Food Facilities", and inspection of said facilities and of the product (including imported products), prior notification of imported products and the detention of those products if they do not meet the requirements outlined in the regulations currently being drafted by FDA. This law may very well impact you and your business operations.

For more information to ascertain how you may be affected by PL 107-88, please visit the Food and Drug Administration website at [www.fda.gov](http://www.fda.gov).

We at ALFD hope this information proves helpful in the preparation and submission of your label applications. If you have any questions regarding this matter, please contact ALFD Customer Service at (202) 927-8140, toll free (866) 927-ALFD (2533) or by email at [alfd@atfhq.atf.treas.gov](mailto:alfd@atfhq.atf.treas.gov).

## Health Warning Statement

*By Adam Krautheim (202) 927-8140*

The Alcohol Labeling and Formulation Division (ALFD) has noticed an increase in the number of ATF Forms 5100.31, Application for and Certification/Exemption of Label/Bottle Approval (COLA), that fail to comply with the mandatory Health Warning Statement requirements. As of November 1989, a predetermined warning statement was established for all alcohol beverages containing 0.5% or more alcohol by volume. The implementing regulations regarding the Health Warning Statement may be found in 27 Code of Federal Regulations (CFR), Part 16.

In an effort to minimize the rejection of your COLA applications due to Health Warning Statement problems, ALFD would like to call attention to a few common mistakes found on COLA submissions. These inaccuracies include:

- Illegibility: Not clearly readable; lacks contrasting background.
- Compressed Statement: The letters and/or words are compressed in such a manner that causes the statement to be illegible.
- Not separate and apart from all other information: Lacks a space or graphic line before the beginning and after the end of the Health Warning Statement and all other information.
- Contains misspelled words, missing or added words or letters that change or confuse the statement's meaning.
- Statement is printed in type that is too small.
- The words "**GOVERNMENT WARNING**" are not bold, capitalized, or are misspelled.

*Questions or suggestions relating to the Alcohol & Tobacco Newsletter should be directed to the Editor by fax at (202) 927-5611 or by mail at the following address: Bureau of ATF, 650 Massachusetts Avenue, NW, Room 8110, Attention: Joette Brown, Editor, Alcohol & Tobacco Newsletter, Washington, D.C. 20226.*