

Tis The Season Certificates of Label Approval (COLAs)

By Tracy McNeil (202)927-8140

Already fall is upon us and holidays are just around the corner. It is that time of year when the Alcohol Labeling and Formulation Division (ALFD) begins to see a significant increase in malt beverage labels submitted for seasonal beers, winter brews, and holiday ales. To ensure timely processing of Certificates of Label Approval (COLAs) for these products, brewers and importers are reminded to take the following steps prior to submission of labels to ALFD:

- If the malt beverage is in some manner labeled as seasonal, but it *is not* flavored, spiced, or otherwise considered a malt beverage specialty, please indicate such in item 17 of the ATF Form 5100.31, Application for and Certification/Exemption of Label/Bottle Approval, or submit an ingredient list with your labels. This is not required if the descriptive text on the actual label clearly indicates that it is not a flavored product.
- If an *imported* malt beverage is flavored, spiced or otherwise considered a malt beverage specialty, a pre-import letter must accompany the incoming COLA. Pre-import letters must be obtained prior to COLA submission by sending a detailed quantitative ingredient list, and step-by-step description of the production process, to the Bureau of Alcohol, Tobacco and Firearms, Alcohol Labeling and Formulation Division, 650 Massachusetts Avenue, NW Washington, DC 20226. The statement of production must be on the producer's letterhead, with English translation if necessary, and include a transmittal letter identifying the submitter and requesting pre-COLA evaluation.
- If a *domestic* malt beverage is flavored, spiced, or otherwise considered a malt beverage specialty, a statement of process (SOP) must accompany the

incoming COLA. SOPs must be approved prior to COLA submissions by sending a statement of production with a detailed quantitative ingredient list, and step-by-step description of the production process, on brewery letterhead to the Bureau of Alcohol, Tobacco and Firearms, Alcohol Labeling and Formulation Division, 650 Massachusetts Avenue, NW Washington, DC 20226.

If you have any questions, please contact ALFD Customer Service at 1(866)927-ALFD or call (202)927-8140. ■

Methyl Tertiary Butyl Ether – MTBE Banned from All Gasoline

By Langdon Guenther (513)684-6924

There are many ongoing changes in the gasoline industry in the state of California. In 1999, the chemical additive methyl tertiary butyl ether (MTBE) was banned from all gasoline effective December 31, 2002. This ban was later extended to December 31, 2003, by Governor Grey Davis due to fears of gasoline shortages and price spikes. MTBE was mandated to be in all gasoline sold in California (by far the largest consumer of gasoline of any state) in the early 1990's. When blended with gasoline, MTBE dramatically reduced exhaust emissions and contributed greatly to cleaning the air in California. A 15% blend of MTBE and gasoline was found to increase octane levels and enhance combustion.

Several years ago it was discovered that gasoline, containing MTBE, was leaking from old service station storage tanks and finding its way into creeks, rivers, reservoirs, etc. MTBE has also found its way into the groundwater from pipeline spills and directly into water from two-stroke marine motors. Just a small amount of MTBE contaminate a large amount of water. Public drinking water wells have been closed due to MTBE contamination, or the threat thereof, in Santa Monica, San Jose, South Lake Tahoe, Sacramento, and many other cities and counties throughout California. The University

of California has estimated that MTBE treatment costs could climb as high as \$1.5 billion.

The ban on MTBE resulted and California looked for an alternative. They found it in 200 proof ethanol, blended with gasoline, to form a 10% ethanol blend. The early results are that this blend will burn as clean or cleaner than the MTBE blend, with no water contamination problems. The ATF's National Revenue Center has been fielding many phone calls and processing many applications for Alcohol Fuel Plants and Distilled Spirits Plants which will service the huge demand for 200 proof ethanol in the state of California. BP, the largest refiner and seller of gasoline in California, announced months ago that it would soon stop using MTBE and start using the alcohol blend well in advance of the MTBE ban. Other refiners and dealers, not wanting to lose market share to environmentally conscious Californians, have also speeded up their efforts to implement the ethanol blend.

Several other states have also been adding MTBE to their gasoline and will soon stop this process. This is positive news for American farmers who will realize an increased demand for corn, which has been at or near historic price lows. The United States will be using more of a renewable resource and with the 10% ethanol blend, could potentially reduce oil imports. ■

Alcohol Labeling and Formulation Division (ALFD) Goes Commodity

By Tracy McNeil (202)927-8140

In our continuing effort to provide efficient and professional customer service to the alcohol beverage industry, the Alcohol Labeling and Formulation Division (ALFD) has changed the way incoming Certificates of Label Approval (COLAs) are sorted and distributed for processing.

Since March of 2000, when recommendations of the Beverage Alcohol Streamlining Team were put into effect, COLAs coming into ALFD were sorted by level of complexity such as **easy**, **hard**, **very hard**, and **rejection**. Labeling specialists were assigned to corresponding teams and reviewed labels with little to no variation of difficulty.

Effective September 16, 2002, ALFD began sorting COLAs by commodity, i.e. wine, malt beverages, and distilled spirits. Labeling specialists have been assigned to commodity specific teams. The number of specialists on each team reflects the percentage of COLAs received for that commodity. COLAs are much easier to sort this way, leaving less chance of misrouting. Consistency will be easier to maintain among the teams, and labeling specialists will be able to focus on their expertise on one commodity instead of three.

Applicants are to continue submitting COLAs in the same manner as they have previously. We will continue striving to meet our customer service goal of processing all COLAs within nine days. ■

Alcohol Labeling and Formulation Division (ALFD) Commodity – Specific Seminars

By Leslie Nelson/Marsha Heath (202)927-8140

On September 6th, 13th and 20th, 2002, the Alcohol Labeling and Formulation Division (ALFD) held commodity-specific industry seminars in Washington, DC. In addition to addressing general alcohol labeling and formulation issues applicable to all commodities, the presentations were tailored to address topics unique to the industry whose representatives were present at the particular seminar. The goal was two-fold: to further educate participants on the alcohol compliance topics and to promote a more customer friendly environment.

Presenters included Customer Service specialists, Labeling and Formulation specialists from the Alcohol Labeling and Formulation Division as well as guest speakers from USDA's National Organic Program who addressed upcoming changes impacting the use of organic references on alcohol beverage labels. Topics included an overview of ALFD and its customer service emphasis, detailed information regarding alcohol beverage products requiring formula approval or lab analyses and pre-import product evaluation, mandatory label requirements under the Federal Alcohol Administration Act, organic labeling issues, assistance in completing COLA forms, relevant current topics and the development of COLAs Online--ATF's first e-filing option for industry.

The seminars were attended by approximately ninety industry members; the majority of whom expressed appreciation to ATF in general for its efforts to educate the regulated industries and to ALFD specifically for offering such a productive educational opportunity to the

alcohol beverage industry. The seminars proved to be a positive experience for ALFD representatives as well, offering the unique opportunity to interact with and learn from industry members and to establish a level of rapport not afforded by phone contact. In fact the seminars were so successful that next year we may take our show on the road!

National Revenue Center Changes Permit and Registry Numbers

By Yolanda Whitehead (513)684-6978

To better serve our customers, the National Revenue Center (NRC) has initiated a project to update all permit/registry numbers that do not conform to our current database format. In the past, each Regional Technical Services office issued its own numbers. We use these numbers to organize and locate paper and electronic records for our customers. We plan to develop and provide new methods of electronic communication and interaction with our customers in the future. These technological advances are more manageable when there is standardization of all permit and registry numbers. In light of these plans, the continued maintenance of nonconforming permit and registry numbers has become cumbersome. Approximately 1,000 numbers from more than 33,000 records will be affected.

We recognize that this change may cause some industry members minor inconvenience. We are working with the Alcohol Labeling and Formulation Division (ALFD) to make your transition easier. The change in permit and registry numbers will impact certificates of label approval (COLAs) and any corresponding pre-import letters and laboratory analyses. There is no cause for alarm. Industry members will simply file a copy of their notification letter with their existing COLAs and corresponding documents that bear the old permit or registry number. Industry members will then use the new permit and registry numbers for all future contact with the Bureau.

The NRC will mail, by October 8, 2002, notices to all permittees that are affected by this change. Within 30 days of the date of the advance notice, permittees that have only a registry number affected by this change will

receive a letter notification of their new or corrected registry number. Permittees that have permit numbers.

That are affected by this change will receive a letter notification along with a new permit and instructions for returning the existing permit for proper cancellation. Every permittee must begin using the new permit and registry numbers for all contact with the Bureau effective November 8, 2002.

Inquiries or requests for additional information may be directed to Linda Franklin, our Customer Service Representative, at (513)684-6035 or (800)398-2282. ■

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.