

OFFICE OF ALCOHOL AND TOBACCO

## New Tobacco Industry Analyst

By Donna Smith (202) 927-5000

J.R. McCollum will serve as the Industry Analyst for the Tobacco Industry.

J.R. started his career with ATF in 1975 in Greensboro, NC, as an inspector working mostly with the tobacco industry. In 1978, he was promoted to Officer-in-Charge and supervised ATF personnel at two distilleries in Georgia. In 1980, he transferred to the Analyst Staff where he served as Training Coordinator. In 1989, he was promoted to Special Operations Inspector for Firearms and Explosives. While in that position, he attended classes on Firearms and Ammunition Excise Tax and trained inspectors in that subject area. He has worked closely with Firearms Manufacturers and has kept abreast of many issues and trends in that industry. In 1995, he took on the Public Information Officer duties for Regulatory Enforcement, Southeast District, and continued in that role until 1998, when he took over the Public Information Officer duties for the Atlanta Field Division. In that role he has kept up with industry trends in all of the regulated industries in order to respond to media requests. He has instructed numerous ATF classes on tobacco and has relatives that grew the crop in his native home of North Carolina. You can reach J.R. at the following address: Bureau of ATF, 2600 Century Parkway, N.E., Room 300, Atlanta, GA 30345-3104, Phone: (404) 679-5001, Fax: (404) 679-5134. ■



**April 24-28**

Specialists Warren Wynn and Gwen Henson of the Market Compliance Branch will attend the Annual IBS National Craft Brewers Conference in Milwaukee, Wisconsin. They will staff the display booth.

## New Policy for Hemp Products

By Susan Stewart (202) 927-8140

On April 6, 2000, ATF announced a new policy for beverage alcohol products made with hemp or hemp components. In summary, ATF will continue to allow these products to be made, however we have added some requirements, such as laboratory analysis of the hemp component to ensure the absence of Tetrahydrocannabinol (THC). Also, due to the potential for consumers to be misled about the true nature of the product, we prohibit the use of the word hemp, except as part of a required statement of composition identifying the specific hemp component. We also prohibit depictions of any part of the hemp plant as well as depictions, graphics, designs, devices, puffery, statements, slang, representations, etc. implying or referencing the presence of hemp, marijuana, any other controlled substance; or any psychoactive effects. If you would like a copy of the entire policy or have any questions about it, please visit the ATF web site at [www.atf.treas.gov/breakingnews/040700hemp.htm](http://www.atf.treas.gov/breakingnews/040700hemp.htm) or call the Alcohol Labeling & Formulation Branch at (202) 927-8140, or e-mail [alfb@atfhq.atf.treas.gov](mailto:alfb@atfhq.atf.treas.gov). ■

## Cancellation and Rescheduling of Health Claims Hearings

By Jim Ficaretta (202) 927-8210

On February 28, 2000, we announced the dates and locations of five public hearings that we would hold concerning health claims and other health-related statements in the labeling and advertising of alcohol beverages. Due to the low number of requests to present oral comments, we are canceling the hearings that were scheduled for Atlanta (June 27 – 29), Chicago (July 25 – July 27), and Dallas (August 22 – 24). The hearings scheduled for Washington, DC, and San Francisco, California, will be limited to two days. The hearing in Washington, DC, will be held on April 25 and 26, and the hearing in San Francisco will be held on May 23 and May 24. The hearings in both locations will start at 10:00 a.m.

ATF will accept written (or e-mail) comments addressing our earlier notice on this subject (Notice No. 884), as well as comments addressing testimony presented at the hearings, until June 30, 2000. ■

## CSPI Petition

By Jim Ficaretta (202) 927-8210

As a result of responses from the Federal Trade Commission (FTC) and the Surgeon General, we have decided to prepare an advance notice of proposed rulemaking (ANPRM) addressing the petition. What we hope to do through the process, is get as

*(Continued on page 2)*

**CSPI...** *(Continuation from front page)*

much data as possible to fully and properly evaluate the petition. We expect that it will take several months to evaluate studies referred to us by the petition, FTC, and the Surgeon General. We hope to publish an ANPRM within the next few months. ■

**Flavored Wine  
Comment Period  
Extended To  
May 5** 

*By Jim Ficaretta ( 202) 927-8210*

On December 28, 1999, we published a notice of proposed rulemaking (NPRM), Notice No. 890, in the Federal Register soliciting comments from the public and industry on a proposal to amend the regulations to create a new standard of identity for flavored wine products. The comment period for Notice No. 890 closed on March 29, 2000. Prior to the close of the comment period ATF received a request from an industry member to extend the comment period 90 days. In consideration of the reasons given, we believe that a reopening of the comment period is warranted. Thus, on April 5, we published a notice in the Federal Register reopening the comment period an additional 30 days, until May 5. We believe that a comment period totaling 120 days is a sufficient amount of time for all interested parties to respond. To date, we have received approximately 120 comments in response to the NPRM. ■

**Labels With  
Inventory Control  
Numbers**

*By Jeanette Compton ( 202) 927-8130*

We recently heard about the practice of placing retailer inventory control numbers on the back labels of wine bottles for specific retailers. ATF feels the addition of retailer inventory control numbers to back labels of wine or spirits bottles, or *(Continued in next column)*

**Labels...** *(Continuation from column 1)*

other alcohol beverage containers, could be of value to a retailer. These uses are not exceptions as defined in Subpart D of the Tied House regulations. ATF would therefore classify this practice as a service or "thing of value" and an unlawful inducement given to a retailer under the Tied House regulations. In addition, a contractual arrangement between an industry member and retailer for placement of label inventory control numbers could be classified by ATF as a prohibited exclusive outlet arrangement if the criteria specified in Subpart C of the Exclusive Outlet regulations are met. It should be noted that any violations of the FAA Act relating to these situations are conditioned upon the practice resulting in exclusion as defined in Subpart E of the Tied House regulations or Subpart D of the Exclusive Outlet regulations. ■

  
**ALFB**

*By Susan Stewart ( 202) 927-8140*

The metamorphosis of the Alcohol Labeling & Formulation Branch (ALFB) is progressing well. Since implementing new business processes on March 27, 2000, we have been working to settle into our new procedures. Our Customer Service Team reports positive feedback from our customers for their responsiveness and availability. You can call them at (202) 927-8140 between the hours of 8:30 am to 5 p.m. Eastern Time, or e-mail them at [alfb@atfhq.atf.treas.gov](mailto:alfb@atfhq.atf.treas.gov). They will provide quick accurate responses to your inquiries. Our Label and Formula Team has been working diligently to review labels and formulas based on complexity, and this too is working well. Our Quality Assurance Team is doing behind the scene checks to ensure accuracy and consistency for your labels and formulas too. If you have any questions, comments or suggestions about our new processes, please call, write or e-mail our Customer Service Team. ■

**You Want a Permit to Do What?!!!**

*By Allen McClaskey ( 513) 684-7216*

Well, chances are good that "we've got it"! The Office of Alcohol and Tobacco's National Revenue Center is charged with the responsibility of issuing permits to all alcohol or tobacco product industry members. We have recently gathered statistics that reflect the number of alcohol and tobacco industry members that have qualified to operate. As of April 1, 2000, the active industry members in various categories are shown below.

Wholesalers (spirits, wine, malt beverages)	10,656
Importers (spirits, wine, malt beverages)	4,905
Tax free Alcohol Users	4,442
Specially Denatured Spirits (dealers & users)	3,122
Bonded Wineries & Wine Cellars	2,443
Breweries	1,778
Alcohol Fuel Plants (all sizes)	740
Distilled Spirits Plants	377
Tobacco Importers	332
Manufacturer of Tobacco Products	156
Export Warehouses	148

There are nine other categories of "permitted" operations comprising approximately 1100 additional industry members. California and New York are the states with the most industry members in an active status, while Alaska and South Dakota have the fewest. ■