

Northwest U.S. Viticulture

By Marjorie Ruhf (202) 927-8210

Regulations Division recently published notices of proposed rulemaking on two viticultural areas in the Northwest. We are proposing to establish a viticultural area in the State of Washington to be called "Red Mountain." The proposed area is in Benton County and entirely within the existing Yakima Valley viticultural area.

We are also requesting comments on the extension of the Walla Walla Valley viticultural area and a conforming change to the boundary of the Columbia River Valley viticultural area. Walla Walla Valley is within the Columbia River Valley, and both areas bridge the Washington - Oregon State border. When it was originally designated in 1984, the Walla Walla Valley had only two wine producers and 60 acres of grapes. The local wine industry has grown substantially since then - there are 21 wine producers and 800 acres of grapes in the area as we propose to amend it. Red Mountain was published May 19, 2000; comments are due July 18, 2000. Walla Walla Valley was published on June 6, 2000; comments are due August 7, 2000. □

Silver Nitrate

By Debbie Lewis (202) 927-8130

In the May 2000 Alcohol & Tobacco Newsletter, we reported the possibility that United States (U.S.) companies received bulk Australian wine from Kingston Estate Wines (Kingston) that contained silver nitrate. Both Australia and the United States prohibit the addition of silver nitrate. We requested any U.S. company that received bulk wine from Kingston to notify ATF immediately.

To date, ATF has determined that two wineries have received bulk shipments of wine from Kingston during the past 12 months. Inspectors secured samples from these shipments and forwarded the samples to our Rockville laboratory for testing.

At this time, we are awaiting test results to determine whether or not the wines contain silver nitrate and the quantity of silver nitrate in the wines.

We have transferred our coordination efforts, regarding this issue, from our Alcohol Import Export Branch to the Market Compliance Branch. Please contact the Chief, Market Compliance Branch, Bureau of Alcohol, Tobacco and Firearms, in Washington, DC, at (202) 927-8130 if you have any information regarding shipments of bulk wine to the U.S. from Kingston Estate Wines. □

ATF Participates in FIVs Meeting in Amsterdam

By Tom Stewart (202) 927-8220

ATF recently participated in the International Federation of Wines and Spirits (FIVS) Annual Conference in Amsterdam, Netherlands, May 25-26, to discuss our E-filing initiatives. FIVS, established in Paris in 1951, is a worldwide federation representing the wine and spirits industries. Its objective is to promote and defend the interests of the industry and trade. In this international forum to exchange information, ATF participated in a panel discussion on electronic commerce with representatives from the World Customs Organization, World Trade Organization and several trade associations. As the world is fast turning to the Internet to conduct business, governments are developing means to operate electronically. ATF is starting to build its capabilities to file forms and reports via the Internet (see related article below). We will be actively seeking input from our customers on how to best develop a system that will serve both our needs. □



ATF is Developing E-filing Initiatives

By Tom Stewart (202) 927-8220

In accordance with the Government Paperwork Elimination Act of 1998, which states that the Federal government must be able to offer all its services on line, ATF is beginning to establish E-filing initiatives. By the October 2003 date specified in the law, ATF customers will be able to file tax returns, monthly reports, label applications, claims applications, and other related forms and reports via the Internet. This system will aid our customers by ensuring correct submissions of data and reducing the amount of time, effort and cost spent on filing paper reports. The Financial Management Service (FMS) of the Treasury Department is developing a system whereby other agencies will be able to link to the FMS site to conduct electronic transactions. ATF is the first agency to operate with FMS on this E-filing program. We are now in the early stages of working with FMS and their contractor. We hope to start E-filing on a limited basis with at least one form by September of this year. We will be reaching out to industry members to work with them on developing our system. Tom Stewart is the project manager and can be reached at (202) 927-8220 or trstewart@atfhq.atf.treas.gov. We will provide updates on our progress through this newsletter. □

Tobacco Facts

By Allen P. McClaskey (513) 684-3334

Nearly 43% of the excise taxes collected by the Bureau of Alcohol Tobacco and Firearms come from the 153 companies that are qualified to operate as Manufacturers of Tobacco Products. In 1999 that percentage translated into approximately \$5.16 billion in excise tax generated by these tobacco product facilities. Most of that money comes from only a few large plants. In 1999, the 10 largest payers of tobacco excise tax, who represent less than 7% of tobacco taxpayers, paid over 97% of the amount collected from these tobacco operations. Forty-nine other permittees paid less than \$1,000 in excise tax last year - including nine that went out of business during the year. Florida is the state with the most Manufacturers of Tobacco Products with fifty-four, distantly followed by California, North Carolina and Virginia. However, the most tax is collected from operations in North Carolina and Virginia, respectively. □

Russian Government Representative Visits ATF

By Joel Cuffman (202) 927-4870

On May 18, 2000, representatives from the Russian government met with Deputy Director Patrick Hynes and representatives from the Offices of Alcohol and Tobacco; Firearms Explosives and Arson; Field Operations; Training and Professional Development; and Liaison and Public Information. Presentations were given on ATF's alcohol and tobacco smuggling activities, current firearms programs, and training initiatives, that ATF has provided for the Russian government over the past several years. The Russian representatives asked questions about our Memorandum of Understanding (MOU) with Canada and the possibility of sharing certain types of intelligence

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information with ATF. Both the Russian and ATF representatives supported the advantages of a MOU that would enable the sharing of information and verifying shipping documentation on goods traded between the United States and Russia. ATF's meeting was part of a series of meetings that were held with the State Department, Treasury, United States Secret Service, United States Customs Service, and the Drug Enforcement Administration. □

700 ML Petition

By Lisa Gessner (202) 927-8210

On June 2, 2000, we received a petition to establish a new 700 milliliter (ml) standard container size for distilled spirits from an importer in northern New Jersey. The petitioner states that the European community is adapting this new metric size container which will become their standard size in the future. The petitioner further states that their corporation has been unable to purchase certain distilled spirits products because they were only offered and available in the 700 ml size. □

New Wine Industry Analyst

By Donna Smith (202) 927-5000

Perky Ramroth was born and raised in the San Francisco Bay Area, California. She is a graduate of the University of Oregon with a degree in English. She joined ATF in 1974 and has spent her entire ATF career in the San Francisco area. She started in Technical Services working as a Specialist and later transferred to the Analyst Staff as a Senior Operations Officer and Training Coordinator. Perky was instrumental in the development and presentation of ATF's Winery Compliance Seminar Program on the West Coast. This very successful program began in 1978 and continues today, bringing thousands of people in the wine industry together for free training in compliance matters. Her expertise is valued throughout the wine industry. She is a member of the American Society for Enology and Viticulture. Perky also brings a wealth of experience to her field as the Industry Analyst for wine. Perky may be reached at the following address: BATF, Perky Ramroth, 221 Main Street, 11th Floor, San Francisco, CA 94105-1992, Phone: (415) 744-7011, Fax: (415) 744-9405. □

Sample Bottles Submitted with Label/Bottle Applications

By Susan Stewart (202) 927-8140

You are required to submit a filled representative sample bottle along with your label application if you are seeking label approval for a product that has the label etched, painted or embossed directly on the container or for a product with a clear or acetate label. You must also attach a facsimile of the label to the bottom of the application. We require a filled bottle so that we can determine if the label is legible and contrasting against the background of the contents of the bottle.

Applications for Distinctive Liquor Bottles must also include a sample bottle. We may also ask for sample bottles in other situations where we feel it is necessary to actually see how the label and container will appear. Due to space constraints within our office, sample bottles that are submitted with applications will be discarded unless the applicant specifically requests that the bottle be returned. If you have any questions about this, please call our Customer Service Team at (202) 927-8140 or e-mail us at alfb@atfhq.atf.treas.gov. □

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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: Donna Smith, Editor, Alcohol & Tobacco Newsletter, Washington, DC 20226.