

Offer-in-Compromise

By Jeannette Compton (202) 927-8130

On December 22, 2000, the Director, Industry Operations, St. Paul Field Division, accepted an Offer-in-Compromise of \$110,000 from Miller Brewing Company, Milwaukee, Wisconsin. Miller failed to accurately record production and removal of beer, as evidenced by recurring inventory overages and shortages; and failed to provide sufficient evidence of exportation. □



ATF Participants in Up Coming Events

March 12-14

National Alcohol Beverage Control Association Legislative Conference
Washington, DC

April 9-13

New World Wine Producers Meeting
Adelaide, Australia

June 10-15

National Conference of State Liquor Administrators National Convention
Honolulu, Hawaii

New Tobacco Form

By Bob Ruhf (202) 927-8210

The Bureau of Alcohol, Tobacco and Firearms (ATF) has issued ATF Form 5200.14, Notice of Removal of Tobacco Products, Cigarette Papers, or Cigarette Tubes. It replaces ATF Form 2149/50 (5200.14).

Do not use any previous editions of ATF Form 2149/50 (5200.14) for future transactions because ATF Form 5200.14 has significant changes. The significant changes are as follows:

- Roll-your own tobacco has been added.
- Items that refer to the tax or the tax rate on large cigars have been changed. The tax on large cigars is determined on the sale price¹, not the wholesale price.
¹ Sale price is defined as the price for which large cigars are sold by the manufacturer or importer as determined in accordance with 27 CFR 270.22 or 27 CFR 275.39 and used for the computation of tax. Refer to 27 CFR 270.22 for further information on determining the sale price for large cigars.]
- In addition to the above, a column in item 12 has changed. Item 12 describes the articles for export. Instead of stating the amount (number or pounds and ounces) in each container, you now state the unit type of the container (for example, cartons or cases).
- The address of the ATF office to which copies of the form are sent has been changed.
- Item 10 has been changed. It lists the reasons for the notice. You can now select a box for returns to export warehouse or factory. In addition, there are separate boxes for a transfer to an export warehouse or to a factory.

If you have questions about this form, ask the Tobacco Unit, National Revenue Center, 550 Main Street, Cincinnati, OH 45202-3263, 1-800-398-2282 or 513-684-7151. You may also refer to ATF Industry Circular 2000-2, Exportation of Distilled Spirits, Wine, Beer and Tobacco Products. □

Labeling Policy Change

By Nicholas Colucci (202) 927-8140

As you may be aware, 26 U.S.C. Section 5662 prohibits any person from representing any still wine as an effervescent wine, or as a substitute for an effervescent wine. Therefore, in order to provide you with more precise guidance on this subject, the Alcohol Labeling and Formulation Division (ALFD) has determined that the following terms may **not** appear on still wines:

Petillant; Spumante; Perlant; Frizzante; Spritz/Spritzzy; Bubble/Bubbly; Sparkle/Sparkling; Tingle/Tingly; Cremant; Reciotto; and Crackling. (Note: This list is not all inclusive.)

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In addition, after further research, ALFD has determined that the term “**lively**”, which was previously prohibited from appearing on the label of still wines, is now permitted.

ALFD is happy to answer any questions or respond to any comments. Please do not hesitate to contact our Customer Service Team at 1-866-927-2533 or contact us via email at alfd@atfhq.atf.treas.gov. □

Tequila Issues

By Susan Stewart (202) 927-8140

A shortage of agave cactus, which is used to produce tequila, has had a significant impact on the availability and prices of tequila. The Alcohol Labeling & Formulation Division (ALFD) has recently noticed changes in the labels and formulation of tequilas and tequila specialty products which are a direct result of this shortage. Many products/brands that used to be straight tequila have recently switched to tequila specialty products. ALFD is monitoring closely all label applications for tequila and tequila specialty products, both Mexican and domestically bottled or produced. Our major concerns are:

1) Misleading as to origin. Labels for tequila imported in bulk and bottled in the U.S. can and should accurately reflect that it is a product of Mexico by the country of origin statement or any graphics or wording that are associated with Mexico, such as the colors of the Mexican flag, Aztec calendar, or a map of Mexico. However, if you use imported bulk tequila to produce a specialty product, it is now a

product of the US and the label should not contain any graphics, depictions, wording, etc. that could mislead consumers to think it is a product of Mexico.

- 2) Misleading as to class and type. Our concern is regarding products/brands that used to be straight tequila imported in bulk from Mexico and bottled in the U.S. that are now sold as specialty products, and the only change to the label is the addition of the required statement of composition. We are concerned that consumers may be misled that this product is still straight tequila. Terms that are associated with tequila, such as “gold,” “reposado” or “NOM” should not appear on the labels of tequila specialty products in ways that are likely to mislead consumers.
- 3) Imitation tequila. Products that contain no tequila but are clearly being produced, labeled and marketed as a substitute for tequila must be labeled as “imitation tequila” in accordance with 27 CFR 5.22(j).
- 4) Tequila liqueur. The Federal Alcohol Administration Act does not provide for “tequila liqueur,” so this is not an acceptable class and type designation.

If you have any questions or concerns about these issues, please contact the ALFD Customer Service Team at our toll free number, 1-866-927-2533, or by e-mail at alfd@atfhq.atf.treas.gov. □

New Assistant Chief of ALFD

By Tracy McNeil (202) 927-8140

Thomas B. Busey, who was recently selected as the Assistant to the Chief, Alcohol Labeling and Formulation Division (ALFD), brings a direct, hands-on management style and thirty years of ATF experience to the organization. In spite of his good-humored assertion that “*old dogs don't change*,” Tom says that the fast-paced operations of ALFD are invigorating and, “*makes me feel young again!*”

Tom came to the Bureau of Alcohol, Tobacco and Firearms in 1971, as an inspector in Baltimore. Since then, he has served consecutively as Chief of the Import/Export Branch, Wine and Beer Branch, Product Compliance Branch, and the National Firearms Act Branch. Tom has also been the Area Supervisor in Kentucky.

Career highlights for Tom include serving on the Vice President's Task Force on Drugs and Guns from 1980 to 1981, and serving as Regional Supervisor of the Los Angeles Security Taskforce for the 1984 Olympics.

Born in Massachusetts, Tom has been a long-time resident of the Washington, DC metropolitan area. A graduate of Loyola University in Baltimore, Maryland, he served in the United States Army from 1969 to 1971.

For recreation, Tom plays golf and spends time with his youngest son, Jake; who is five years old. His oldest son, Matthew Busey, is an ATF Inspector in West Palm Beach Florida. □

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.