

Division Chief Richard Mascolo To Retire

By the Editor

After almost 40 years, Richard Mascolo, Chief of the Regulations Division is set to retire on April 3, 2001. Shortly after graduating from Drexel University, Philadelphia, Pennsylvania, Rich started in July 1961, as an Inspector in the Philadelphia Field Office of the Alcohol and Tobacco Tax Division of the Internal Revenue Service. After spending seven years doing inspections in Central and Eastern Pennsylvania, Central and Southern New Jersey, and the state of Delaware, he became an analyst in the Philadelphia Regional Office. His first supervisory job was Chief, Technical Services in the Philadelphia Regional Office and after seven years was transferred to headquarters as Chief, Research and Regulations Branch. After holding several similar related branch and divisional positions, he became Chief, Regulations Division. During his years in headquarters, he was responsible for numerous rulemaking documents, regulatory variances and interpretive rulings relating to ATF regulations, and has been involved in the establishment of all American viticultural areas to date. Rich has also served as ATF's only Regulatory Policy Officer, a position created by Executive Order 12886 in October of 1993. Rich's future plans are centered around spending quality time with his family and plans to stay in the Washington, DC area. □

Offer-in-Compromise **Suspension**

By Jeannette Compton (202) 927-8130

On February 23, 2001, the Division Director, New York Field Division, announced the completed 45-day suspension of operations of Vinifera Imports, Ltd. (Vinifera), Ronkonkoma, New York, and an Offer-in-Compromise in which Vinifera will pay the U.S. Government \$225,000 for violations of the Federal Alcohol Administration Act. Vinifera entered into the agreement with ATF after an investigation disclosed numerous labeling violations and hidden ownership in Vinifera related operations. □

New Wine Technical Specialist Reports

By Arthur Herbert (202) 927-8100

Mari Kirrane, a new Wine Technical Specialist reports to the Alcohol and Tobacco Programs Division. Mari joins Richard Gahagan, ATF Wine Technical Advisor as another ATF resource on winemaking and grapegrowing issues.

Mari was born and raised in northern California. She graduated from Saint Mary's College in California earning a degree in Chemistry. Mari joined ATF in 1992 working as an alcohol chemist in our San Francisco Laboratory Center. She began her professional career in the wine industry in 1982 working as a chemist at Concannon Vineyard, Livermore, California. She served the winery in several capacities throughout her ten year career, including winemaker. Mari experienced the winemaking practices of France, Germany, Portugal, and Spain as she toured these countries during her professional capacity with the winery. In 1996, Mari utilized her knowledge and experiences as a member of the development and presentation teams for a series of west coast seminars dubbed ATF's "Required Analytical Tests for Wineries". Mari will apply her knowledge and experiences gained as chemist and winemaker to advise ATF managers and field officers about enological practices, deliver presentations on matters affecting wine trade, and make recommendations that result from her research of wine-related issues. She is a member of the Society of Wine Educators, California Enological Research Association and a professional member of the American Society of Enology and Viticulture. You can contact Mari at BATF, Mari Kirrane, 221 Main Street, 11th

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ATF PARTICIPANTS IN UPCOMING EVENTS

April 9-13

New World Wine Producer's Meeting
Adelaide, Australia

May 16-20

National Alcohol Beverage Control Association
La Quinta, California

June 10-15

National Conference of State Liquor Administrators
National Convention
Honolulu, Hawaii

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floor, San Francisco CA 94105-1922, via phone: 415-744-9422, via fax: 415-744-9405, via e-mail: makirrane@sfdi.atf.treas.gov.
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Organic Labeling

By Susan Stewart (202) 927-8140

The Organic Foods Production Act of 1990 authorized the creation of the National Organic Program (NOP) under the direction of the United States Department of Agriculture (USDA). USDA published a final rule (with request for comments) on Thursday December 21, 2000, codifying the NOP in 7 CFR Part 205. The NOP facilitates domestic and international marketing of fresh and processed food (including beverage alcohol) that is organically produced and assures consumers that such products meet consistent, uniform standards. The NOP establishes national standards for the production and handling of organically produced products and also includes requirements for labeling products as organic and containing organic ingredients. The NOP covers both domestic and imported products offered for sale in the U.S.

Although this rule became effective on February 20, 2001, the production, handling and labeling requirements of the NOP will not be implemented until August 20, 2002. This will allow time for USDA to give accreditation to certifying agents.

The Alcohol Labeling & Formulation Division (ALFD) is currently working with USDA to determine how to process label applications that contain organic claims. ATF will NOT be involved in enforcing the production and handling aspects of the NOP, but it remains to be determined what our level of involvement will be in enforcing the labeling requirements of the NOP.

Beginning March 5, 2001, ALFD specialists will qualify all approved certificates of label approval/exemption from label approval/distinctive liquor bottle approval (certificates) that make organic references with the following statement:

“This label is subject to the United States Department of Agriculture regulations relating to the National Organic Program at 7 CFR Part 205. The labeling requirements of Part 205 will be implemented on August 20, 2002. The approval of this certificate is not an indication that this label conforms with these regulations.”

In addition, starting March 5, 2001, all approved certificates that contain organic references will be given an expiration or termination date of August 20, 2002. In the interim, we will continue to follow our current policy on the use of organic claims through that date. Our current policy states that you

may only make references to organic ingredients, e.g., “organic hops” or “made with organically grown grapes” and may not refer to a finished product as organic, e.g., “organic wine.” In addition, we require that you submit with each application that includes an organic reference, proof of certification by an organic certifying agency.

You may find more information about the NOP at the USDA web site: www.ams.usda.gov/nop/.

We will continue to provide you with updates as our discussions with USDA progress and as the implementation date approaches. If you have any questions, you may contact USDA at 202-205-7806 or the ALFD Customer Service Team at 1-866-927-ALFD, or alfd@atfhq.atf.treas.gov. □

Treasury Decisions

By Lisa Gesser (202) 927-8210

On March 6, 2001, a Treasury Decision establishing the West Elks viticultural area was published in the Federal Register. This final rule will become effective on May 7, 2001. This action is a result of a petition filed on behalf of several grape growers and winery owners in the area. West Elks is located in Delta County, Colorado.

On February 26, 2001, a Treasury Decision establishing the Fair Play viticultural area was published in the Federal Register. This final rule is the result of a petition filed by Brian Fitzpatrick, President of Fair Play Winery Association. Fair Play is located in southern El Dorado County, California, entirely within the existing “El Dorado” and “Sierra Foothills” viticultural areas. This final rule will become effective on April 27, 2001.

On March 2, 2001, TD-443 was published in the Federal Register. This final rule eliminates the requirement for users of tax-free alcohol to file a bond. This rule will become effective on May 1, 2001.

On March 1, 2001, a Treasury Decision updating the regulations in 27 CFR parts 19 and 21 was published in the Federal Register. Specifically, the updates include removing the proprietary brand name “BITREX” listed with the denaturant denatonium benzoate, incorporating an ATF ruling that approves the use of two substitute denaturants, and making other amendments to provide clarity. □

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.