ALCOHOL & TOBACCO NEWSLETTER

98-1

*This issue of the **Alcohol & Tobacco Newsletter**, formerly "Compliance Matters,"discusses a number of issues relating to alcohol matters.*

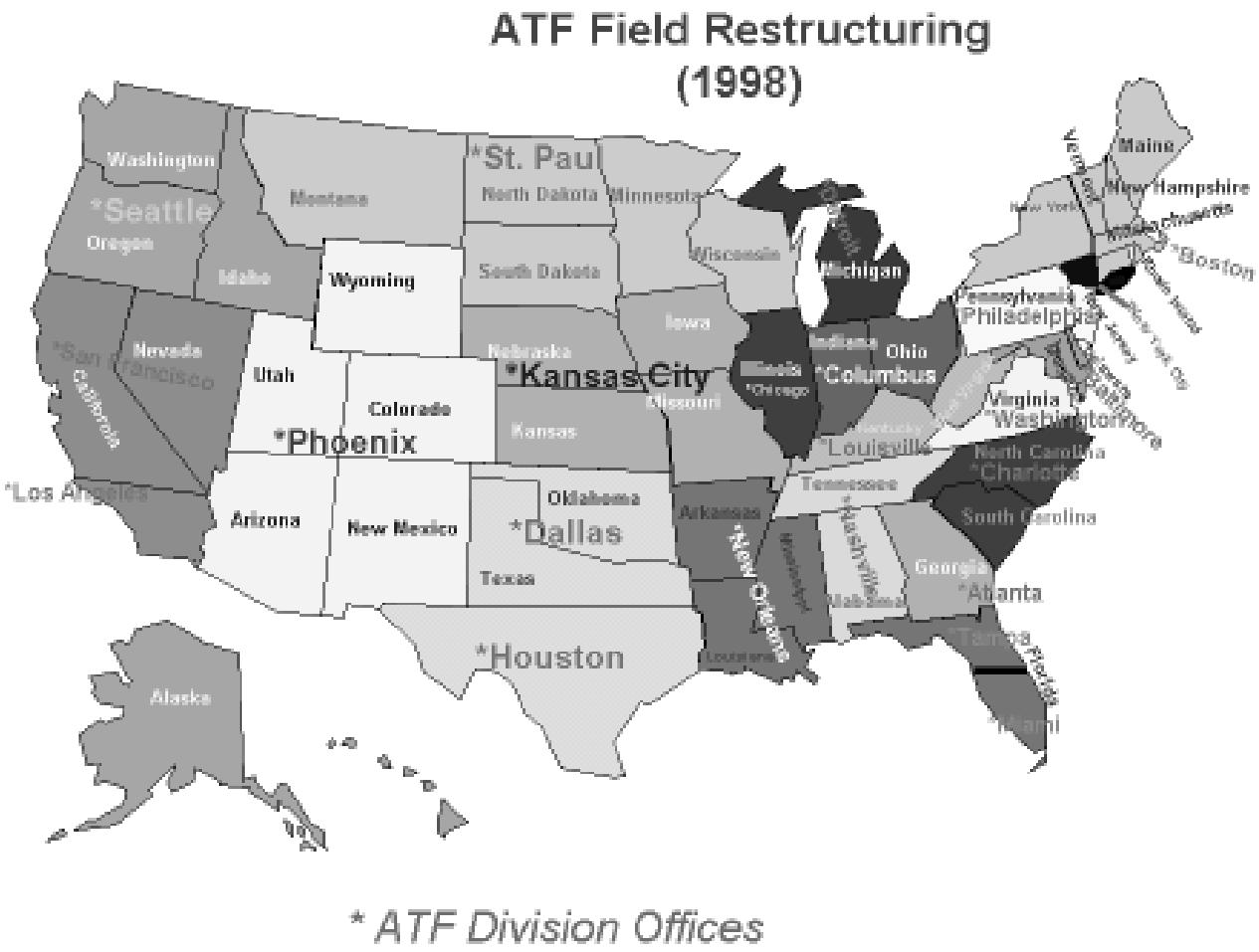
ATF FIELD RESTRUCTURING

In an effort to maintain a more unified, full-service enforcement agency with greater authority delegated to the field, ATF completed a major restructuring of its field operations. The origins of the field restructuring came about at the Director's conference in the fall of 1996.

The work of the focus group led to a major result: there will no longer be two ATF's — Regulatory and Criminal Enforcement. "Our current structure clearly did not optimize the very solid nexus between the regulatory and enforcement functions," said ATF Director John Magaw, during an address to ATF employees in Washington on November 25, 1997. "It will now be realized in all areas." Perhaps one of the biggest changes under the realignment is that the Special Agent in Charge (SAC) will also carry the title of Division Director and oversee all activities. A Director of Industry Operations (DIO) has been created and located in each of the field divisions and will oversee all regulatory operations effective October 1, 1998.

Some industry members have stated that the restructuring will cause a loss of expertise on the part of ATF. However, ATF feels that it will actually combine experts from both Criminal Enforcement and Regulatory Enforcement into one central location within each Division. There will be a more coordinated approach between the two former directorates, more points of contact, and a more uniform response to industry concerns.

It is recognized that ATF has undergone many changes over the past several years. It is felt that these changes will offer the best organizational structure to achieve the goals, strategies and our vision of a sound and safer America. We appreciate your patience as we go through these complex times. While changes must be made, be assured we are committed to making them with the least amount of stress, disruption, and discomfort to industry members.



DIRECTORS OF INDUSTRY OPERATIONS

John Brooks	Dallas Field Division
Thomas Crone	Phoenix Field Division
William Davis	Atlanta Field Division
Arthur Herbert	Chicago Field Division
Earl Kleckley	Los Angeles Field Division
Gerard LaRusso	Washington Field Division
Victoria Renneckar	San Francisco Field Division
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Raymond Conrad	Tampa Field Division

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Lilia Vannett	New York Field Division
James Windau	Miami Field Division

LABELING

LABELING MANUAL

In **"Compliance Matters 97-1"**, we announced our intent to develop a labeling manual. We are currently working with industry members on a comprehensive guide to address labeling and associated topics. "The Beverage Alcohol Manual (BAM), A Practical Guide" will include chapters on formulas, lab analyses, statements of process, permits, how to complete the COLA form, as well as, chapters on labeling requirements. The BAM will be issued in sections. A draft of the first chapter on mandatory labeling information for wine will be published in a future special edition of **"Compliance Matters"**. In the ongoing development of the BAM we welcome your input on topics we should include in the manual. Please send your suggestions to:

Product Compliance Branch
ATTN: Lynne Gittes, Room 5240
Bureau of Alcohol, Tobacco and Firearms
650 Massachusetts Ave, NW
Washington, DC 20226

ATF F 5100.31, Application for and Certification/ Exemption of Label/Bottle Approval (4-98)

This form has been revised and distributed to all industry members. It can also be accessed via our Web site at www.atf.treas.gov. Some of the more significant changes to the form include: 6. Plant Registry/ Basic Permit No./Brewer's No., 7a. Mailing Address, 10. Net Contents, 11. Phone Number, 13. Alcohol Content, 15. Fax Number, 20. Type name of Applicant or Authorized Agent. Some of the blocks have been revised and/or additional instructions have been added including: 1. Vendor code, 2. Serial Number, 4. Class & Type, 7. Name and Address of Applicant etc., 9. Lab No./Date, 14. Vintage, 17. Show any wording etc., Part II, Applicants Certification, 22. Authorized Signature etc.

SULFUR DIOXIDE ANALYSIS FOR WINE LABEL APROVAL

Permittees are required to submit a total sulfur dioxide analysis for the approval of wine labels that do not bear a sulfite declaration. The Bureau will accept an official laboratory report from either an ATF Laboratory or a laboratory certified by ATF for the analysis of wine. The official laboratory report for total sulfur dioxide analysis must accompany the certificate of label approval application. A current listing of certified laboratories follows:

Beaulieu Vineyard
1960 South St. Helena Highway
P.O. Box 219
Rutherford, CA 94573

Beringer Wine Estates
1000 Pratt Avenue
P.O. Box 111
St. Helena, CA 94574

Brown-Forman Beverages Worldwide
850 Dixie Highway (40210)
P.O. Box 1080
Louisville, KY 40201

Canandaigua Wine Company, Inc.
116 Buffalo Street
Canandaigua, NY 14424-1086

ETS Laboratories
899 Adams Street
St. Helena, CA 94574

E. & J. Gallo Winery
P.O. Box 1130
Modesto, CA 95353

Fetzer Vineyards
12625 East Side Road
P.O. Box 611
Hopland, CA 95449

Glen Ellen Carneros
21468 8th Street East
P.O. Box 1636
Sonoma, CA 95476

Canandaigua Winery Company, Inc.
Mission Bell Winery
12667 Road 24
P.O. Box 99
Madera, CA 93639

Canandaigua Wine Company, Inc.
Monterey Cellars
800 South Alta Street
P.O. Box 780
Gonzales, CA 93926

Joseph E. Seagram & Sons, Inc.
Westchester Technical Center
103 Corporate Park Drive
White Plains, NY 10604-3877

Mogen David Wine Company
85 Bourne Street
P.O. Box 1
Westfield, NY 14787

Northwest Wine Consultants
509 Merclyn Lane
Zillah, WA 98953

NYSSA Analytical Laboratories
141 Suburban Road, Suite C-4
San Luis Obispo, CA 93401

Parducci Wine Cellars
501 Parducci Road
Ukiah, CA 95482

Robert Mondavi Winery
P.O. Box 106
Oakville, CA 94562

Scott Laboratories, Inc.
2220 Pine View Way
P.O. Box 4559
Petaluma, CA 94955-4559

Golden State Vintners
38558 Road 128
P.O. Box 39
Cutler, CA 93615

Heublein, Inc.
430 New Park Avenue
West Hartford, CT 06110

Sebastiani Vineyards
P.O. Box 1290
Woodbridge, CA 95258

Silverado Vineyards
6121 Silverado Trail
Napa, CA 94558

Stimson Lane Vineyards
Highway 221
P.O. Box 231
Paterson, WA 99345-0231

Stimson Lane Vineyards
14111 Northeast 145th St.
Woodinville, WA 98072

Sutter Home Winery, Inc.
P.O. Box 248
St. Helena, CA 94574

Vinquiry, Inc.
7795 Bell Road
Windsor, CA 95492

The Wine Group, Inc.
17000 East Highway 120
P.O. Box 897
Ripon, CA 95366

ALCOHOL BEVERAGES MARKETED AS "LEMONADE"

There has been a recent trend in the manufacture and labeling of alcohol beverages as Lemonade. FDA has established standards for the manufacture of lemonade (lemon juice, sugar and water). When lemonade, as defined by FDA, is part of the formulation of an alcohol beverage, we will allow the term to be used on the labels. We will continue to require that all lemonade in alcohol beverage products be made in accordance with the current FDA standards of lemon juice, sugar and water.

WINE SPECIALTY PRODUCTS "STATEMENT OF COMPOSITION" LABELED WITH GRAPE VARIETALS OR SEMIGENERIC DESIGNATIONS

ATF is aware that some wineries are producing flavored wine specialty products containing base wines entitled to a varietal type designation or a semigeneric designation. These products are designated as wine specialty products due to their composition. The finished products often contain significant quantities of sugar, water and flavoring materials. For purposes of this article we will discuss hypothetical wine specialty products rather than products actually on the market.

In the hypothetical examples we are discussing, there is no dispute that the finished product is not entitled to a varietal type designation or a semigeneric designation, because the class and type of the product have been altered by the addition of materials that would not be allowed in standard grape wine (or in quantities that would not be allowed in standard wine). However, industry members are concerned that ATF regulations allow the wineries to make reference to the type designation of the base wine (for example, Chardonnay or Chablis) as part of the required statement of composition. Some industry members believe that this practice is misleading to consumers, and have asked that ATF issue a ruling or rulemaking that would prohibit the inclusion of such designations in a statement of composition for a flavored wine specialty product.

The Wine Institute and other industry members have requested that ATF take a position prohibiting any reference to a type designation such as a varietal or semigeneric name as part of a statement of composition for wine specialty products.

We are putting qualifications on certificates of label approval for wine specialty labels bearing varietal of semigeneric names as part of the statement of composition. These qualifications advise affected industry members that the labels are being approved on a conditional basis, pending the issuance of a ruling or a regulation on the issue.

PROPOSED RULES FOR NET CONTENTS STATEMENT

The May 15, 1998, Federal Register contained a Notice of Proposed Rulemaking, 27 CFR Section 4.37, to allow for the expression of net contents on wine labels in centiliters (cl) as an alternative to milliliters (ml). ATF is seeking general comments on the proposal as well as comments on three specific questions:

1) Whether the regulations should be amended in accordance with the petitioner's specific request to allow the net contents statement to be expressed in centiliters only on wine bottled in a 750 milliliter standard of fill;

2) Whether the regulations should be amended to authorize the net contents statement for wine in containers of less than 1 liter to be expressed in milliliters, centiliters, or decimal portions of liter. For example, in the case of wine bottle in a 750 milliliter standard of fill the net contents may be stated on the label as "750 ml," "75cl," or ".75L"; or

3) Whether the regulations should be amended to be consistent with EU regulations, i.e., regardless of the container size, the net contents of wine shall be expressed in liters, milliliters, or centili ters.

Written comments must be received by October 19, 1998 and should be sent to: Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 50221, Washington, DC 20091-0221, Attn: Notice No. 861.

GINSENG

In June 1997, several students in a New York classroom fell asleep after consuming what authorities identified as "liquid Ginseng" products. New York State authorities asked for the Bureau of Alcohol, Tobacco and Firearms (ATF) to investigate.

ATF National Laboratory Center tested 152 liquid Ginseng products for alcohol content for potability. Both the alcohol content (over 0.5% by volume) and the potability factors are taken under consideration to determine if the product is an alcohol beverage. Of the 152 products received and tested at the lab to date, 36 were determined to be alcohol beverages, 42 were determined to be unfit as a beverage, 59 had no detectable alcohol and 12 products were below 0.5% alcohol by volume.

On December 18, 1997 a press release was issued to inform the public that 56 of these products had alcohol and were being sold at health food stores, convenience stores, and at candy counters in some grocery stores. ATF has notified manufacturers, importers, distributors and retailers of federal regulatory requirements if they wish to continue selling liquid Ginseng products containing alcohol.

In addition to the press release, each state liquor authority was contacted, as was U.S. Customs. The U.S. Customs Service was asked to hold and notify ATF if any of the products containing alcohol arrived in port.

We are continuing to identify manufacturers, obtain samples, and inform and assist the industry with regulatory requirements as they relate to Ginseng. Jim Burggraff of the Non-Beverage Section of the ATF Laboratory has been extremely helpful in educating members of Market Compliance Branch and various industry members on potability factors, and how to reformulate products to make them non-potable.

PFAP (PARTNERSHIP FORMULA APPROVAL PROCESS)

There is an *alternative* way to obtain formula approvals called "Partnership Formula Approval Process (PFAP)" program. It was developed in partnership with industry and the Product Compliance Branch. The PFAP program **expedites the approval** cycle.

Although the PFAP program is ***NOT MANDATORY***, we are encouraging domestic alcohol beverage producers and importers to utilize the program. Using PFAP is a faster and more efficient process for approving domestic formulas and for processing imported products where U.S. non-beverage flavors are used. Formulas submitted using the PFAP program are generally processed within 3 to 4 days. Formulas not submitted under PFAP can take up to 2 to 5 weeks to process.

The main focus of the program is to ensure flavors have been approved by the ATF Laboratory prior to submitting the alcohol beverage formula to the Product Compliance Branch for approval.

1) Flavor Ingredient Data Sheets (FIDS) are prepared by the non-beverage flavor manufacturer for each flavor (approved for drawback) to be used in the beverage alcohol formula.

2) FIDS are provided to the beverage alcohol producers for inclusion with their beverage formula.

3) There are features in the PFAP that industry members can use internally in formulating new products. For example, a "built in" feature of the program is the calculation of FDA maximum allowable limits for various product components. The beverage manufacturer uses the information from FIDS and incorporates it into a "Lotus 123 spreadsheet." The "Lotus 123 spreadsheet" automatically calculates the amount of all limited flavor components used in the alcohol beverage formula.

4) The signed beverage formula is submitted to the Product Compliance Branch for approval. Accompanying the formula is the diskette with the "Lotus 123 spreadsheet" and a copy of each FIDS used in the product.

Copies of the PFAP program and instructions are available free of charge by contacting either of the addresses below. If you are interested in future training seminars, or if you have questions, please feel free to contact the Product Compliance Branch.

Bureau of Alcohol, Tobacco and Firearms
Product Compliance Branch, Room 5200
650 Massachusetts Avenue, NW
Washington, DC 20226
(202) 927-8140
Fax (202) 927-8605
Web site: www.atf.treas.gov

or

Distilled Spirits Counsel of the United States
1250 Eye Street, NW Suite 900
Washington, DC 20005-3998
(202) 682-8824
Web site: http:\\www.discus.health.org

ALCOHOL BEVERAGES CONTAINING ADDED CAFFEINE

We have recently approved the production of other than standard products where caffeine has been directly added to the product. The maximum limit set by The Food and Drug Administration is 200 ppm. In addition, when caffeine is added directly to a product, we are requiring that it be included in the "statement of composition." Generally, most labels for these products have included additional statements such as "CONTAINS CAFFEINE" or "CAFFEINE ADDED"(in large type).

ALLERGIC REACTION ASSOCIATED WITH THE USE OF CARMINE

A recent article suggested an allergic reaction associated with the use of Carmine, a natural red dye extracted from the dried bodies of cochineal insects. Carmine is used as a coloring material in beverage alcohol products and flavors. ATF does not require a labeling declaration for beverage alcohol products specifically stating "contains Carmine." However, if Carmine is contained in a product, a statement regarding artificial color must be included. The U.S. Food and Drug Administration advises that the word "Carmine" should appear on labels because of the potential for severe allergic reactions through the consumption of a beverage alcohol product containing this additive.

PRE-IMPORT APPROVALS FOR IMPORTED LIQUEURS AND SPECIALTY PRODUCTS

The pre-import approval of liqueurs without requiring a laboratory analysis has been in effect for approximately three years. This program has reduced the use of laboratory resources and has significantly reduced the turnaround time for processing approvals of imported liqueurs.

ATF has expanded this program to include imported wine; malt beverage and distilled spirits made from specialty products. Specialty products are those products, which do not fall under prescribed standards of identity in 27 CFR Parts 4, 5 or 7. They require a fanciful name (distilled spirits and malt beverages only) and a truthful and adequate statement of composition. These products include cocktails, wine coolers, flavored malt beverages and other alcoholic beverages, which are not designated as specific classes and/or types of alcoholic beverages.

Importers who wish to submit specialty products for pre-import approval must provide a detailed list of ingredients (including quantities of all components) and method of manufacturer on the foreign producer's letterhead together with a request, on their own letterhead. The list and quantity of ingredients and method of manufacture must be in English and written on the producer's letterhead, signed and dated by an authorized official. If the product contains a flavor, provide the name and address of the flavor manufacturer. If the product contains a flavor produced outside the United States, provide a complete and specific list of each ingredient used in the production of the flavor. If the manufacturer is

located in the United States, provide the formula number that it is manufactured under, the name of the flavor and the four digit ATF Drawback number.

Additionally, importers should include their vendor codes on all correspondence submitted in conjunction with the pre-import approval process. The vendor code is a four or five digit numeric identifier assigned by ATF. If you have not been assigned a vendor code, send a copy of your basic permit to the Formula and Processing Section of Product Compliance Branch and indicate that you would like to have one assigned.

METHYL ALCOHOL (METHANOL) ANALYSIS FOR BRANDY

ATF currently requires a chemical analysis for the methanol content on all brandies. Currently, the methyl alcohol content limitation for all types of brandies is 0.35% as established by the U. S. Food and Drug Administration (FDA). We will continue to require this analysis pending further clarification from FDA.

We will only process brandy label applications if a completed laboratory analysis accompanies the label application. We will continue to exempt Cognac, Armagnac, and Calvados brandies from this requirement, as they are distinctive products. ATF will continue approving the label applications, subject to the possibility of future cancellations pending FDA's final determination of the maximum permissible level of methyl alcohol in brandies.

To speed up label approvals for these products, the ATF San Francisco Laboratory will send the chemical analysis for methanol in brandies by facsimile to the Product Compliance Branch. The laboratory will also mail the same information to the industry member. This will allow the laboratory results to be available within one business day of completion of the analysis. The Product Compliance Branch will continue to provide the formal notification letter to the industry member or their representative. We are hopeful that this revised process will expedite the formula approval process, statements of process and other actions concerning brandies.

ADMINISTRATIVE MATTERS

PHONE CALLS

On May 4,1998, Product Compliance Branch implemented, on a trial basis, a new Automated Attendant Telephone System. The main number for Product Compliance Branch is (202) 927-8140. When dialing the main number, callers will hear an automated message detailing the Product Compliance Branch "Front Desk" hours and how to contact individual specialists in both the Labeling Section and the Formula and Processing Section, as well as supervisory personnel.

BAST (Beverage Alcohol Streamlining Team)

BAST is a select group of Product Compliance Branch (PCB) employees who are currently looking at ways which PCB can streamline how it conducts business. PCB's goals are to ensure safe products are delivered to the consumers; provide consumer understanding of the identity of the products, provide correct classification of beverage alcohol products for tax collection; and, ensure that all ingredients used in beverage alcohol production are FDA approved for human consumption. To accomplish this, BAST is seeking to identify, define and propose elimination of "non-value-added" steps in ATF's current processes, and provide quality and efficient services to our customers

COLAS AND ELECTRONIC IMAGING - Internet

We are working on placing approved COLAs on the Internet. Initially, the Internet will contain only "Certificate of Label Approval" information, without images. We plan to have images of the approved "COLA" on the Internet by the end of 1998.

In the future (long-term), we also plan to look into further use of electronic media in the label approval process. Some ideas that we are considering include: electronic submission of applications for label approval, electronic notification of approval, database fields to enable states to indicate their approval of labels, automatic transmission of ATF label approval information to states in which a company wishes to market a product. We will need to resolve a number of funding and scheduling issues before these plans can be finalized.

MEETINGS

We plan to have periodic meetings with industry members, perhaps as often as monthly. At these meetings, we will discuss issues of current significance to ATF and industry e.g., suggestions for improving operations, etc. Please advise us if you wish to attend or wish to have certain topics addressed. Contact PCB at 650 Massachusetts Avenue, NW, Room 5200, Washington, DC 20226.

NEW INTERNATIONAL REQUIREMENTS GUIDE

The Alcohol Import-Export Branch compiled a guide entitled "International Requirements for the Trade of Alcohol Beverages." It contains information on import requirements, including licensing, labeling and taxation of beer, wine and distilled spirits. The selected countries that have been included in this guide were selected from various industry inquiries and trade statistics for the United States' primary trading partners. This guide is beneficial as a reference source for alcohol manufacturers and exporters/ importers and anyone else contemplating a move into international markets.

The guide is available on the ATF web site **(www.atf.treas.gov)** and will be continually updated as new information becomes available. If you are unable to access the Internet, you may request a copy of the guide directly from Alcohol Import-Export Branch at (202) 927-8110 or fax your request to (202) 927-8605.

CUSTOMER SERVICE STANDARDS

Each year, Product Compliance Branch processes in excess of 60,000 applications for approval of alcohol beverage labels. In **"Compliance Matters 94-3"**, we announced our formal customer service standards, which included the following:

1) A commitment to be courteous, professional and confidential.

2) A target processing time of 9 calendar days to approve or reject formal applications for label approval.

3) A target processing time of 15 calendar days to respond to informal requests for comments on labels.

4) A target processing time of 21 days to respond to other correspondence.

5) A commitment to notify customers if processing times would exceed the above targets.

We will continue in our efforts to improve our turn-around times.

PROCESSING TIMES

Following are statistics for a two year period reflecting our performance in this area:

Formal Label Applications

	Fiscal Year 96 10/1/95- 9/30/96	**Fiscal Year 97 10/1/96-9/30/97**	**Fiscal Year 98 10/1/97- 6/30/98**
Number Received	57,131	63,800	48,527
% Completed in 9 Days	87.4%	55%	69.2%
% Completed Over 9 Days	12.6%	45%	30.8%

Informal Label Applications

	Fiscal Year 96 *	**Fiscal Year 97 10/1/96-9/30/97**	**Fiscal Year 98 10/1/97- 6/30/98**
Number Received		8	62
% Completed in 15 Days		12.5%	30%
% Completed Over 15 Days		87.5%	70%

***** Informal label applications were not tracked in FY 1996.

CUSTOMER SURVEY AND RESULTS

In 1996, we conducted a customer survey to give us performance feedback on issues relating to our customer service standards. This issue of the Alcohol and Tobacco Newsletter is the first opportunity we have had to these results. Questionnaires were sent to 1,382 industry members. We received 585 responses. We appreciate the time and effort that respondents gave to completing their questionnaires as responses help us to better understand our strengths and weaknesses. The survey results are an important component in developing long-term plans to improve branch operations.

There were 16 questions. To each question, respondents were asked to give a response of: "Strongly Disagree", "Disagree", "Neither Agree nor Disagree", "Agree, Strongly Agree", or "Not Applicable". In general, the responses were positive. However, we recognize that this survey was conducted before the branch began experiencing the delays discussed elsewhere in this issue of **"Compliance Matters"**. In addition to the 16 questions, respondents also had an opportunity to provide narrative comments. There were comments on 205 of the survey responses. Some responses contained several comments. The comments we received generally highlighted areas of concern, although many comments were also positive.

Following are the 16 questions. Following that is a summary of the narrative comments we received.

<u>The 16 Questions and the Responses (other than "Not Applicable" or No Response):</u>

1) Overall, I'm satisfied with the service I'm getting from Product compliance Branch (548 responses).
   - 2.56% (14) - Strongly disagree
   - 14.60% (80) - Disagree
   - 12.23% (67) - Neither agree nor disagree
   - 55.47% (304) - Agree
   - 15.15% (83) - Strongly agree

2) Product Compliance Branch employees are polite (478 responses).
   - 1.67% (8) - Strongly disagree
   - 6.90% (33) - Disagree
   - 20.08% (96) - Neither agree nor disagree
   - 50.21% (240) - Agree
   - 21.13% (101) - Strongly agree

3) When I call Product Compliance Branch, the person who answers the phone tells me his or her name and the name of the office I've reached (442 responses).
   - 2.49% (11) - Strongly disagree
   - 13.12% (58) - Disagree
   - 17.19% (76) - Neither agree nor disagree
   - 50.23% (222) - Agree
   - 16.97% (75) - Strongly agree

4) Someone responds to my phone calls within 24 hours (418 responses).
   - 8.61% (36) - Strongly disagree
   - 18.42% (77) - Disagree
   - 24.40% (102) - Neither agree nor disagree

38.28% (160) - Agree
10.29% (43) - Strongly agree

5) The information I get from the branch is accurate (475 responses).
3.16% (15) - Strongly disagree
12.42% (59) - Disagree
24.00% (114) - Neither agree nor disagree
44.84% (213) - Agree
15.58% (74) - Strongly agree

6) Branch employees explain things clearly (467 responses).
3.43% (16) - Strongly disagree
16.27% (76) - Disagree
24.84% (116) - Neither agree nor disagree
41.11% (192) - Agree
14.35% (67) - Strongly agree

7) The language in the labeling regulations is clear (556 responses).
6.65% (37) - Strongly disagree
24.10% (134) - Disagree
25.72% (143) - Neither agree nor disagree
35.43% (197) - Agree
8.09% (45) - Strongly agree

8) Within the limitations imposed by law and regulations, Product Compliance Branch employees are responsive to my needs (507 responses).
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9) I believe ATF applies its labeling regulations consistently throughout the alcohol beverage industry (549 responses).
11.66% (64) - Strongly disagree
18.94% (104) - Disagree
26.59% (146) - Neither agree nor disagree
33.52% (184) - Agree
9.29% (51) - Strongly agree

10) I'm aware of what's involved when Product Compliance Branch reviews my labels (547 responses).
2.01% (11) - Strongly disagree
13.35% (73) - Disagree
19.56% (107) - Neither agree nor disagree
55.39% (303) - Agree
9.69% (53) - Strongly agree

11) The application for label approval (ATF F 5100.31) is easy to use (564 responses).
.71% (4) - Strongly disagree
3.90% (22) - Disagree
10.11% (57) - Neither agree nor disagree
61.18% (345) - Agree

24.11% (136) - Strongly agree

12) I understand the information provided on label correction sheets (531 responses).
.75% (4) - Strongly disagree
12.43% (66) - Disagree
14.31% (76) - Neither agree nor disagree
61.58% (327) - Agree
10.92% (58) - Strongly agree

NOTE: The following 4 questions received fewer responses than the preceding 12, because they applied only to businesses submitting formulas.

13) The language in the formula regulations is clear (157 responses).
2.55% (4) - Strongly disagree
19.11% (30) - Disagree
37.58% (59) - Neither agree nor disagree
34.39% (54) - Agree
6.37% (10) - Strongly agree

14) I believe ATF applies its formula regulations consistently throughout the alcohol beverage industry (151 responses).
4.64% (7) - Strongly disagree
17.22% (26) - Disagree
31.79% (48) - Neither agree nor disagree
37.09% (56) - Agree
9.27% (14) - Strongly agree

15) I'm aware of what's involved when Product Compliance Branch reviews my formulas (148 responses).
2.70 (4) - Strongly disagree
16.22% (24) - Disagree
25.00% (37) - Neither agree nor disagree
50.68% (75) - Agree
5.41% (8) - Strongly agree

16) The applications for formula approval are easy to use (142 responses).
3.52 (5) - Strongly disagree
11.27% (16) - Disagree
23.94% (34) - Neither agree nor disagree
54.93% (78) - Agree
6.34% (9) - Strongly agree

<u>Summary of Additional Comments</u>

Of the 585 survey responses we received, 205 (35 percent) had additional comments. Some offered one comment, others offered more than one. Following is a summary of the comments we received.

1) 29 commenters expressed concerns about the time it takes to process labels.

2) 21 commenters stated there are inconsistencies in the label approval process and in specialists' interpretations of regulations and policies.

3) 20 commenters complimented ATF and labeling specialists for doing a good job. Some named specific specialists.

4) 10 commenters said they hired representatives to deal with ATF on labeling matters because they believed they receive quicker service than they would if they mailed in their submissions.

5) 8 commenters expressed concerns about the confusion caused when labeling assignments are shifted among the specialists.

Other multiple comments received (fewer than 8 comments each) included:

1) Specialists do not return phone calls on a timely basis.

2) Specialists' work schedules sometimes make them unavailable to answer questions.

3) Employees are not properly trained.

4) Formula approval takes too long.

5) Seminars were requested.

6) Label rejection sheets are difficult to understand.

7) Escorting visitors to Product Compliance Branch causes unnecessary delays.

We are working on improving the items listed above (e.g., holding monthly meetings with industry, "automated attendant," giving pagers to our administrative support personnel responsible for escorting visitors).

The survey offered us valuable information which, along with information from other sources (including our own day-to-day experiences in dealing with industry and processing work within the branch) is an important component in our effort to improve branch operations, improve customer service, and plan for the future.

In summary, we wish to provide several different types of vehicles to enable industry to work in partnership with us on evaluating different ideas and in providing us with additional ideas. We always welcome your comments and encourage your submissions.

Industry members may submit their ideas by writing to us at:

Chief, Product Compliance Branch, Room 5250
Bureau of Alcohol, Tobacco and Firearms
Washington, DC 20226

or
via our e-mail address: www.atf.treas.gov

HELPFUL HINTS

REQUESTS FOR LABEL STATUS AND SEARCHES

If you are requesting information on: (1) the status of a pending label application, (2) obtaining copies of your previously approved Certificates of Label Approvals (COLAs), or (3) searches for previously approved brand names or fanciful names, please provide us with the following information to process your request.

1) Your company name, address, telephone number, and fax number.

2) Contact Person, should we have questions.

3) ATF Basic Permit Number, or Brewer's Notice.

4) Your Vendor Code Number.

5) Serial Numbers of labels, if applicable.

6) Brand Name or Fanciful Name, if applicable.

FAX all requests to the Product Compliance Branch, Formula and Processing Section. The ATF fax number is 202-927-8605.

NOTE: Requests for database searches and copies of COLAs may be subject to a fee. Copies are charged at $.25 each and database searches are billed at $6.25 per quarter hour. Database search exceeding 3 minutes may be charged at the quarter hour rate.

MORE HELPFUL TIPS

All label applications, informals, general label correspondence, formulas and pre-import analysis are distributed by Corporate name to individual specialists for review.

Whenever you submit label approval applications (ATF F 5100.31), please submit them in duplicate to avoid delays.

Please do not use staples to affix any material to "Application for and Certification/Exemption of Label Approval." Use tape or glue.

Please be sure to include your permit or registration number in item 6 on the Certificate of Label Approval.

Whenever you submit formula applications (Forms 5110.38 and 5120.29), please submit them in triplicate.

COLA ASSIGNMENTS
(Effective July 13, 1998)

A, J, O ..... Marsha Heath (MB3) x7-8113

B, D ..... Sherry Zacharias (CDC) x7-8098

C, H ..... Gwen Pittman (GOP) x7-8899

E, G ..... Sarah Johnson (SLJ) x7-8109

F, I ..... Sheila Smith-Harrod (SS1) x7-8085

L, Q, X, Z, P ..... Sean Harris (SDH) x7-8107

M, V ..... Dee Dee Foster (DMF) x7-8114

R, W, K ..... Brenda Newton (BHN) x7-8103

N, S, Y ..... Roberta Alford (RAA) x7-8105

U ..... Julie Orlow (JCO) x7-8111

T ..... Karla Ellison (KLE) x 7-8483

FORMULA ASSIGNMENTS
(Effective July 13, 1998)

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B, D, E, F, G, I, L, N, O ..... Roberta Sanders (RMS) x7-8116

C, R, S, T, U, V, X, Y, Z ..... Judy Harrison (JMH) x78108