

Industry Circular

Number: 72-4

Date: March 1, 1972

Department of the Treasury
Internal Revenue Service Alcohol,
Tobacco and Firearms Division
Washington, D.C. 20224



IMPLEMENTATION OF NATIONAL ENVIRONMENTAL POLICY ACT

Proprietors of distilled spirits plants, bonded wine cellars, taxpaid wine bottling houses, volatile fruit-flavor concentrate plants, and vinegar plants; users of specially denatured alcohol; manufacturers of tobacco products, firearms, ammunition, explosive materials, and liquor bottles; brewers; and others concerned.

Purpose. A recently approved Revenue Procedure sets forth procedures for furnishing environmental information to the Internal Revenue Service. The substance of that revenue procedure, which will soon be published in the Internal Revenue Bulletin, is presented below:

SECTION 1. PURPOSE.

This Revenue Procedure sets out procedures for furnishing environmental information concerning proposed activities for which applications, notices, bonds, and formulas (hereinafter referred to as applications) are filed with the Internal Revenue Service, Alcohol, Tobacco and Firearms.

SEC. 2. BACKGROUND.

.01 The National Environmental Policy Act of 1969 (NEPA), 83 Stat. 852, 142 U.S.C. 4321, established national policy, goals, and procedures for protecting and enhancing the environment. The Act applies to all Federal departments and agencies and requires an analysis of the environmental consequence of proposed major Federal actions which might have a significant effect on the environment.

.02 NEPA further requires that all Federal agencies prepare a detailed statement of the environmental impact for every major Federal action which the agency concludes could significantly affect the environment. The President's Council on Environmental Quality issued Guidelines which set forth procedures to be followed by Federal agencies in implementing NEPA. Within these Guidelines, projects and continuing activities involving Federal licenses, permits, leases, certificates, or other entitlements for use, such as those administered by the Alcohol, Tobacco and Firearms Division, have been determined to be in that category of major Federal actions that may require preparation of environmental statements.

.03 Regarding proposed activities for which licenses, permits, authorizations, rulings or approvals are required, the Service must, to fulfill its responsibilities under NEPA, have information concerning the environmental effect of the proposed activity to determine the need for preparation of environmental statements. Therefore, it will usually be necessary for applicants to submit this information.

SEC. 3. ACTIONS WHICH MAY REQUIRE ENVIRONMENTAL STATEMENTS.

.01 Internal Revenue Service actions which may have a significant adverse effect on the environment and therefore require preparation of environmental statements

include, but are not limited to, the following Alcohol, Tobacco and Firearms actions:

1. The issuance of licenses and permits, including:
 - a. Permits under Chapter 51 (other than withdrawal permits) and permits under Chapter 52, I.R.C.
 - b. Permits under Section 4 of the Federal Alcohol Administration Act (27 U.S.C. 204).
 - c. Licenses under Chapters 40 and 44 of Title 18 U.S.C.
2. The approval of authorizations which "permit" the operation of an activity under Internal Revenue Laws, including but not limited to:
 - a. Form 27-C, Brewer's Notice.
 - b. Form 27-F, Registration of Vinegar Plant.
 - c. Form 27-G, Registration of Volatile Fruit-Flavor Concentrate Plant.
 - d. Form 1676, Bond Covering Removal to and Use of Wine at Vinegar Plant.
 - e. Form 2102, Bond-Manufacturer of Cigarette Papers and Tubes.
 - f. Form 4328, Notice of Intent to Manufacture Liquor Bottles, and Assignment of Manufacturer's Number.
 - g. Letter applications for operation of experimental or pilot plants.
3. The approval of special applications and formulas, and issuance of letter rulings, by the Alcohol, Tobacco and Firearms National or Regional Offices. This would not, however, include "notices" submitted if approval by ATF is not required for the operation covered by the notice.
4. Any further action by the Service after the original issuance or approval under 1, 2, or 3 above, such as renewal, amendment, or reissuance.

.02 If the activities contemplated under 3.01 above would have a significant adverse effect on the environment as a consequence of the Service's action, the Service is required to prepare an environmental impact statement. A proposed activity would be considered to significantly affect the environment when it would, for example:

1. Lead to a noticeable change in the ambient noise level for a substantial number of people, or significantly contribute to congestion.
2. Divide or disrupt an established community as to its physical, social, historical, cultural, or natural aspects.
3. Have a significant adverse aesthetic or visual effect.

4. Destroy or derogate from important recreational areas, places of unique interest or scenic beauty.
5. Substantially alter the pattern of behavior of a nonhuman species.
6. Interfere with important breeding, nesting, or feeding grounds.
7. Lead to a significant increase in air or water pollution in a given area.
8. Disturb the ecological balance of a land or water area.
9. Involve a reasonable possibility of contamination of a public water supply source, treatment facility, or distribution system.

SEC. 4. REQUIREMENT FOR FORM 4871.

Persons filing applications, notices, registrations, or bonds for licenses, permits, or authorizations, such as those listed under items 1 and 2 of 3.01 above, should furnish environmental information with their applications by attaching an original and one copy of Form 4871, Environmental Information. When specifically requested by the Assistant Regional Commissioner, Alcohol, Tobacco and Firearms, or the Director, Alcohol, Tobacco and Firearms Division, persons filing special applications, requests for rulings, or formulas, as covered in items 3 and 4 of 3.01 above, should also prepare and submit Form 4871 in original and one copy. In most instances, an applicant for special authorization or ruling can avoid unnecessary delay and preparation of Form 4871 if a request adequately describes any effect on the environment of the proposed activity.

SEC. 5. ACTION WHEN ENVIRONMENTAL STATEMENT IS REQUIRED.

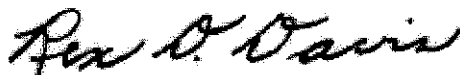
If the Assistant Regional Commissioner, Alcohol, Tobacco and Firearms, or the Director, Alcohol, Tobacco and Firearms Division, determines that a proposed activity would significantly affect the environment, he is required by NEPA to prepare an environmental impact statement. The responsible official will request applicants to furnish any additional information regarding the environmental effects of the proposed activity necessary for preparation of the environmental statement. The statement will be prepared, circulated, and made available to the public in accordance with the Guidelines of the Council on Environmental Quality.

SEC. 6. TIMELY FILING OF ENVIRONMENTAL INFORMATION.

It is extremely important that applications, Forms 4871, and any other necessary environmental information be submitted by the applicant as early as possible. The Service is required by NEPA to consider the environmental effects of a proposed action prior to issuance of any license, permit, authorization, or other entitlement. If an environmental statement is necessary the time required for preparation, circulation, and public notice may cause considerable delay in final action on the application. The minimum time between receipt of application and final action after statements are prepared will be about 120 days, and longer periods should usually be expected.

Availability of Forms 4871. You may obtain Forms 4871 from your Assistant Regional Commissioner, Alcohol, Tobacco and Firearms, near the end of March.

Inquiries. Inquiries regarding this circular should refer to its number and be addressed to your Assistant Regional Commissioner, Alcohol, Tobacco and Firearms.



Rex D. Davis,

Director Alcohol, Tobacco and Firearms Division
