DEPARTMENT OF THE TREASURY
Bureau of Alcohol, Tobacco and Firearms
27 CFR Part 24
[T.D. ATF-409]
RIN 1512-AB87

Delegation of Authority

AGENCY: Bureau of Alcohol, Tobacco, Tobacco and Firearms (ATF), Treasury.

ACTION: Treasury decision,
final rule.

SUMMARY: Authority delegation.
This final rule places most ATF
authorities contained
in part 24, title 27 Code of Federal Regulations

(CFR), with the ``appropriate
ATF officer” and requires that persons

file documents required
by part 24, title 27 Code of Federal

Regulations (CFR), with
the ``appropriate ATF officer” or in

accordance with the
instructions on the ATF form. Also, this final rule

removes the definitions
of, and references to, specific officers

subordinate to the Director.
Concurrently with this Treasury Decision,

ATF Order 1130.5 is
being published. Through this order, the Director

has delegated most of
the authorities in 27 CFR part 24 to the

appropriate ATF officers
and specified the ATF officers with whom

applications, notices
and other reports, which are not ATF forms, are

filed.

EFFECTIVE DATE: March
22, 1999.

FOR FURTHER INFORMATION
CONTACT: Robert Ruhf, Revenue Operations

Branch, Bureau of Alcohol,
Tobacco and Firearms, 650 Massachusetts
SUPPLEMENTARY INFORMATION:

Background

Pursuant to Treasury Order 120-01 (formerly 221), dated June 6, 1972, the Secretary of the Treasury delegated to the Director of the Bureau of Alcohol, Tobacco and Firearms (ATF), the authority to enforce, among other laws, the provisions of chapter 51 of the Internal Revenue Code of 1986 (IRC). The Director has subsequently redelegated certain of these authorities to appropriate subordinate officers by way of various means, including by regulation, ATF delegation orders, regional directives, or similar delegation documents. As a result, to ascertain what particular officer is authorized to perform a particular function under chapter 51, each of these various delegation instruments must be consulted. Similarly, each time a delegation of authority is revoked or redelegated, each of the delegation documents must be reviewed and amended as necessary.
ATF has determined that this multiplicity of delegation instruments complicates and hinders the task of determining which ATF officer is authorized to perform a particular function. ATF also believes these multiple delegation instruments exacerbate the administrative burden associated with maintaining up-to-date delegations, resulting in an undue delay in reflecting current authorities.

Accordingly, this final rule rescinds all authorities of the Director in part 24 that were previously delegated and places those authorities with the "appropriate ATF officer." Most of the authorities of the Director that were not previously delegated are also placed with the "appropriate ATF officer." Along with this final rule, ATF is publishing ATF Order 1130.5, Delegation Order -- Delegation of the Director's Authorities in part 24, Wine, which delegates certain of these authorities to the appropriate organizational level. The effect of these changes is to consolidate all delegations of authority.
in part 24 into one
delegation instrument. This action both simplifies
the process for determining
what ATF officer is authorized to perform a
particular function
and facilitates the updating of delegations in the
future. As a result,
delegations of authority will be reflected in a
more timely and user-friendly
manner.

In addition, this
final rule also eliminates all references in the
regulations that identify
the ATF officer with whom an ATF form is
filed. This is
because ATF forms will indicate the officer with whom
they must be filed.
Similarly, this final rule also amends part 24 to
provide that the submission
of documents other than ATF forms (such as
letterhead applications,
notices and reports) must be filed with the
``appropriate ATF officer''
identified in ATF Order 1130.5. These
changes will facilitate
the identification of the officer with whom
forms and other required
submissions are filed.
This final rule also makes various technical amendments to Subpart C—Administrative and Miscellaneous Provisions of 27 CFR part 24.

Specifically, a new Sec. 24.19 is added to recognize the authority of the Director to delegate regulatory authorities in part 24 and to identify ATF Order 1130.5 as the instrument reflecting such delegations. Also, Sec. 24.20 is amended to provide that the instructions for an ATF form identify the ATF officer with whom it must be filed.

ATF intends to make similar changes in delegations to all other parts of Title 27 of the Code of Federal Regulations through separate rulemakings. By amending the regulations part by part, rather than in one large rulemaking document and ATF Order, ATF minimizes the time expended in notifying interested parties of current delegations of authority.

Paperwork Reduction Act
The provisions of the Paperwork Reduction Act of 1995, Pub. L. 104-13, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this final rule because there are no new or revised recordkeeping or reporting requirements.

Regulatory Flexibility Act

Because no notice of proposed rulemaking is required for this rule, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) do not apply. A copy of this final rule was submitted to the Chief Counsel for Advocacy of the Small Business Administration in accordance with 26 U.S.C. 7805(f).

No comments were received.

Executive Order 12866

It has been determined that this rule is not a significant regulatory action because it will not: (1) Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public
health or safety, or State, local or tribal
governments or communities;
(2) Create a serious inconsistency or
otherwise interfere
with an action taken or planned by another agency;

(3) Materially alter
the budgetary impact of entitlements, grants, user
fees, or loan programs
or the rights and obligations of recipients
thereof; or (4) Raise
novel legal or policy issues arising out of legal
mandates, the President's
priorities, or the principles set forth in
Executive Order 12866.

Administrative Procedure
Act

Because this final
rule merely makes technical amendments and
conforming changes to
improve the clarity of the regulations, it is
unnecessary to issue
this final rule with notice and public procedure
under 5 U.S.C. 553(b).
Similarly it is unnecessary to subject this
final rule to the effective
date limitation of 5 U.S.C. 553(d).

Drafting Information

The principal author
of this document is Robert Ruhf, Regulations
Division,

Bureau of Alcohol, Tobacco and Firearms.

List of Subjects in 27 CFR Part 24

Administrative practice and procedure, Authority delegations, Claims, Electronic fund transfers, Excise taxes, Exports, Food additives, Fruit juices, Labeling, Liquors, Packaging and containers, Reporting and recordkeeping requirements, Research, Scientific equipment, Spices and flavorings, Surety bonds, Taxpaid wine bottling house, Transportation, Vinegar, Warehouses, Wine.

Authority and Issuance

Title 27, Code of Federal Regulations is amended as follows:

PART 24--WINE

Paragraph 1. The authority citation for part 24 continues to read as follows:

Authority: 5 U.S.C. 552(a); 26 U.S.C. 5001, 5008, 5041, 5042, 5044, 5061, 5062, 5081, 5111-5113, 5121, 5122, 5142, 5143, 5173,
Sec. 24.3 [Removed]

Par. 2. Section
24.3 is removed.

Par. 3. Section
24.10 is amended by removing the definitions of
``Area supervisor'',
``ATF Officer'', ``Region'', and ``Regional
director (compliance)''
and by adding a new definition of ``Appropriate

ATF officer'' to read
as follows:

Sec. 24.10 Meaning
of terms.

* * * * *

Appropriate ATF
Officer. An officer or employee of the Bureau of

Alcohol, Tobacco and
Firearms (ATF) authorized to perform any functions

relating to the administration
or enforcement of this part by ATF Order

1130.5, Delegation Order--Delegation
of the Director's Authorities in


* * * * *

Par. 4. In Subpart
C--Administrative and Miscellaneous Provisions,

the undesignated center
heading of ``Authorities of the Director” is

amended by removing
the words `of the Director”.

Par. 5. A new Sec.
24.19 is added in Subpart C after the

undesignated center
heading of ``Authorities”, to read as follows:

Sec. 24.19 Delegations
of the Director.

Most of the regulatory
authorities of the Director contained in

this Part 24 are delegated
to appropriate ATF officers. These ATF

officers are specified
in ATF Order 1130.5, Delegation Order--

Delegation of the Director's
Authorities in 27 CFR Part 24--Wine. ATF
dellegation orders, such
as ATF Order 1130.5, are available to any

interested person by
mailing a request to the ATF Distribution Center,
P.O. Box 5950, Springfield,
Virginia 22150-5190, or by accessing the

ATF web site

Par. 6. In part 24 remove the words ``Director'' each place it appears and add, in substitution, the words ``appropriate ATF officer'' in the following places:

(a) Section 24.20(a);
(b) Section 24.21(a) introductory text, and (c);
(c) Section 24.22(a) introductory text, and (b);
(d) Section 24.87;
(e) Section 24.127;
(f) Section 24.245;
(g) Section 24.246(a)(1);
(h) Section 24.247;
(i) Section 24.248;
(j) Section 24.249(a);
and (k) Section 24.250(b)(9).

Par. 7. Section 24.20 is amended by adding a sentence at the end of
paragraph (a) and revising paragraph (b) to read as follows:

Sec. 24.20 Forms prescribed.

(a) * * * The form will be filed in accordance with the instructions for the form.

(b) Forms may be requested from the ATF Distribution Center, P.O. Box 5950, Springfield, Virginia 22150-5190, or by accessing the ATF web site (http://www.atf.treas.gov/).

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Par. 8. Part 24 is further amended by removing the words `regional
director (compliance)"
each place it appears and adding, in

substitution, the words
``appropriate ATF officer'' in the following

places:
(a) Section 24.21(b);
(b) Section 24.26;
(c) Section 24.27;
(d) Section 24.28;
(e) Section 24.29;
(f) Section 24.30;
(g) Section 24.31;
(h) Section 24.32;
(i) Section 24.52(a);
(j) Section 24.60;
(k) Section 24.62;
(l) Section 24.65(a)
introductory text, (b) introductory text, and
(c) introductory text;
(m) Section 24.66(a);
(n) Section 24.69(b);
(o) Section 24.70;
(p) Section 24.77(c),
(d) and (e);
(q) Section 24.91(c);
(r) Section 24.96(a);
(s) Section 24.105;
(t) Section 24.107;
(u) Section 24.108;
(v) Section 24.110(c)(1);
(w) Section 24.111;
(x) Section 24.115;
(y) Section 24.116;
(z) Section 24.120;
(aa) Section 24.123;
(bb) Section 24.124;
(cc) Section 24.125(c);
(dd) Section 24.135(b)(4),
(c), (d) and (e);
(ee) Section 24.137(a),
(b)(3) and (c);
(ff) Section 24.140(a)
and (b)(3);
(gg) Section 24.141;
(hh) Section 24.150;
(ii) Section 24.154;
(jj) Section 24.155
(a), introductory text and (b);
(kk) Section 24.157;
(ll) Section 24.159;
(mm) Section 24.165;
(nn) Section 24.166;
(oo) Section 24.167(a);
(pp) Section 24.169;
(qq) Section 24.170(a) and (b);
(rr) Section 24.183;
(ss) Section 24.191;
(tt) Section 24.231;
(uu) Section 24.236;
(vv) Section 24.242 (a), introductory text, (b), (c)(1), introductory text, and (c)(2);
(ww) Section 24.249(c);
(xx) Section 24.260;
(yy) Section 24.265;
(zz) Section 24.272(b)(3) and (e);
(aaa) Section 24.273(b);
bbb) Section 24.276;
(c) Section 24.278(h);
(ddd) Section 24.279(a);
(eee) Section 24.296(a) and (b);
(fff) Section 24.300(d);
(ggg) Section 24.313, introductory text.

Par. 9. In Subpart C-Administrative and Miscellaneous Provisions, the undesignated center headings of "Authorities of the Regional Director (Compliance)" and "Authorities of ATF Officers" are removed.

Sec. 24.22 [Amended]

Par. 10. Paragraph (b) of Sec. 24.22 is amended by removing the words "the regional director (compliance) for transmittal to".

Par. 11. Paragraph (c) of Sec. 24.22 is amended by removing the phrase "the regional director (compliance), or the Director" and adding, in substitution, the phrase "appropriate ATF officer".

Secs. 24.36, 24.230 and 24.235 [Amended]

Par. 12. Section 24.36, Sec. 24.230, and paragraph (b) of Sec. 24.235 are amended by removing the words "area supervisor" and adding, in substitution, the words "appropriate ATF officer".
Par. 13. Section 24.25 is revised to read as follows:

Sec. 24.25 Emergency variations from requirements.

(a) General. The appropriate ATF officer may approve construction, equipment, and methods of operation other than as specified in this part, when in the judgment of such officer an emergency exists, the proposed variations from the specified requirements are necessary, and the proposed variations:

(1) Will afford the security and protection to the revenue intended by the prescribed specifications;

(2) Will not hinder the effective administration of this part; and

(3) Will not be contrary to any provisions of law.

(b) Application. The proprietor must submit a written application to the appropriate ATF officer within 24 hours of any temporary approval granted under paragraph (c) of this section, which describes the proposed variation, and sets forth the reasons therefor.
(c) Temporary Approval. The proprietor who desires to employ an emergency variation from requirements must contact the appropriate ATF officer and request temporary approval until the written application, required by paragraph (b) of this section, is acted upon. The appropriate ATF officer will be a subordinate of the ATF officer designated in paragraph (a) of this section. Where the emergency threatens life or property, the proprietor may take immediate action to correct the situation without prior notification; however, the proprietor must promptly contact the appropriate ATF officer and file with that officer a report concerning the emergency and the action taken to correct the situation.

(d) Conditions. The proprietor must, during the period of variation from requirements granted under this section, comply with the terms of the approved application. A failure to comply in good faith with any procedures, conditions, and limitations will automatically terminate
the authority for a variation. Upon termination of the variation, the proprietor must fully comply with requirements of regulations for which the variation was authorized. Authority for any variation may be withdrawn whenever in the judgment of the appropriate ATF officer the revenue is jeopardized or the effective administration of this part is hindered by the continuation of the variation.


Par. 14. Part 24 is further amended by adding the word `appropriate` before the words `ATF officer` each place it appears in the following places:

(a) Section 24.30;
(b) Section 24.35;
(c) Section 24.37;
(d) Section 24.40;
(e) Section 24.54(c);
(f) Section 24.77(d);
Sec. 24.31 [Amended]

Par. 15. Section 24.31 is amended by removing the phrase ``a designated'', and in substitution, adding the phrase ``an appropriate''.

Par. 16. Section 24.41 is revised to read as follows:

Sec. 24.41 Office facilities.

The appropriate ATF officer may require the proprietor to furnish temporarily a suitable work area, desk and equipment necessary for the use of appropriate ATF officers in performing Government duties whether or not such office space is located at the specific premises where regulated operations occur or at corporate business offices where no
regulated activity occurs. Such office facilities will be subject to approval by the appropriate ATF officer.

Sec. 24.52 [Amended]

Par. 16. The second sentence of paragraph (b) of Sec. 24.52 is amended by removing the words "regional director (compliance) of the region in which the bonded wine premises or taxpaid wine bottling house is located" and adding, in substitution, the phrase "appropriate ATF officer".

Par. 17. The first, fifth and sixth sentences of paragraph (b) of Sec. 24.77 are revised to read as follows:

Sec. 24.77 Experimental wine.

* * * * *

(b) Qualification. An institution that wants to conduct experimental wine operations must apply in letter form to the appropriate ATF officer. The applicant must, when required by the appropriate ATF officer, furnish as part of the application, additional
information that may be necessary to determine whether the application should be approved. Operations may not begin until authorized by the appropriate ATF officer.

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Par. 19. The second and last sentences of Sec. 24.80 are revised to read as follows:

Sec. 24.80 General.

* * * The formula must be prepared and filed on ATF F 5120.29, filed on ATF F 5120.29,

Formula and Process for Wine, in accordance with the instructions on the form. * * * Except for research, development, and testing, no special natural wine, agricultural wine, or, if required to be covered by an approved formula, wine other than standard wine may be produced prior to approval by the appropriate ATF officer of a formula covering each ingredient and process (if the process requires approval) used in the production of the product.

* * * * *

Par. 20. The third
and sixth sentences of Sec. 24.81 are revised as follows:

Sec. 24.81 Filing of formulas.

* * * After a change in formula is approved, the original formula must be surrendered to the appropriate ATF officer. * * *

The appropriate ATF officer may at any time require the proprietor to file a statement of process in addition to that required by the ATF F 5120.29 or any other data to determine whether the formula should be approved or the approval continued.

* * * * *

Sec. 24.82 [Amended]

Par. 21. The fourth sentence of Sec. 24.82 is amended by removing the words "Director or the regional director (compliance)" and adding, in substitution, the words "appropriate ATF officer".

Sec. 24.100 [Amended]

Par. 22. Section 24.100 and the introductory text of paragraph (g) of Sec. 24.300 are amended to remove the phrase "to the regional
director (compliance)"

Sec. 24.101 [Amended]

Par. 23. The first and second sentences of paragraph (a) of Sec. 24.101 are amended to remove the phrase "with the regional director (compliance)" and in the first sentence only add, in substitution, the phrase "as provided in Sec. 24.105".

Par. 24. Section 24.103 is revised to read as follows:

Sec. 24.103 Other operations.

Upon the specific approval of the appropriate ATF officer, other operations not provided for in this part may be conducted on wine premises. Authority to conduct other operations may be obtained by submitting an application to the appropriate ATF officer. The application must specifically describe the operation to be conducted and the wine premises and equipment to be used. An appropriate ATF officer may make any inquiry necessary to determine whether the conduct
of other operations
on wine premises would jeopardize the revenue,
conflict with wine operations,
or be contrary to law. Other operations
authorized under this
section will be conducted in accordance with the
conditions, limitations,
procedures, and terms stated in the approved
application. Authority
to conduct other operations may be withdrawn
whenever the appropriate
ATF officer determines the conduct of the
other operations on
wine premises jeopardizes the revenue, conflicts
with wine operations,
or is contrary to law.

Sec. Sec. 24.106, 24.114,
24.135, and 24.137 [Amended]

Par. 25. The fourth
sentence of Sec. 24.106, the second and third
sentences of Sec. 24.114,
the introductory text of paragraph (b) of
Sec. 24.135 and paragraph
(b) of Sec. 24.137 are amended to remove the
phrase "with the regional
director (compliance)".

Sec. 24.109 [Amended]

Par. 26. The second
sentence of paragraph (k) of Sec. 24.109 is
amended by removing
the words “regional director (compliance) of any
ATF region” and adding,
in substitution, the phrase “appropriate ATF officer” and the fourth
and fifth sentences are amended by removing
the words “regional director (compliance)” and by adding, in
substitution, the phrase “appropriate ATF officer”.

Par. 27. Paragraph
(d) of Sec. 24.110 is revised to read as
follows:

Sec. 24.110 Organizational
Documents.

* * * * *

(d) Availability
of additional corporate documents. The originals
of documents required
to be submitted under this section and additional
documents that may be
required by the appropriate ATF officer (such as
articles of incorporation,
bylaws, and any certificate issued by a
State authorizing operations)
must be made available to any appropriate
ATF officer upon request.

* * * * *

Sec. 24.116 [Amended]
Par. 28. The last sentence of Sec. 24.116 is amended to remove the words ``regional director'' and adding, in substitution, the phrase ``appropriate ATF officer''.

Sec. 24.131 [Amended]

Par. 29. Section 24.131 is amended to remove the words ``regional director (compliance) through the area supervisor'' from the first sentence and the words ``regional director (compliance)'' from the third sentence and adding in both sentences, in substitution, the phrase ``appropriate ATF officer''.

Par. 30. The first and second sentences of Sec. 24.145 are revised to read as follows:

Sec. 24.145 General requirements.

Each person required to file a bond or consent of surety under this part must prepare, execute and submit the bond or consent of surety on the prescribed form in accordance with this part and the instructions printed on the form. A person may not commence or continue any business
or operation relating to wine until all bonds and consents of surety required under this part with respect to the business or operation have been approved by the appropriate ATF officer.* * *

Sec. 24.201 [Amended]

Par. 31. The first sentence of Sec. 24.201 is amended by removing the phrase "from the Director" and adding, in substitution, the word "an".

Sec. 24.211 [Amended]

Par. 32. The second sentence of Sec. 24.211 is amended by removing the words "with the Director".

Par. 33. Paragraph (b) of Sec. 24.249 is revised to read as follows:

Sec. 24.249 Experimentation with new treating material or process.

* * * * *

(b) Application. The proprietor who wants to conduct experimentation must file an application with the appropriate ATF officer setting forth in detail the experimentation to be conducted and
the facilities and equipment
to be used. The proposed experimentation

must not be conducted
until the appropriate ATF officer has determined

that the conduct of
such experimentation must not jeopardize the

revenue, conflict with
wine operations, or be contrary to law, and has

approved the application.

* * * * *

Sec. 24.250 [Amended]

Par. 34. Paragraph
(a) of Sec. 24.250 is amended by removing the

following phrase "regional
director (compliance) of the region in

which the bonded wine
premises is located" and adding, in

substitution, the phrase
"appropriate ATF officer".

Sec. 24.250 [Amended]

Par. 35. Paragraph
(c) of Sec. 24.250 is revised by removing the

word "Director" in
the first sentence and, in substitution, adding

the phrase "appropriate
ATF officer", and removing the last two

sentences.

Par. 36. Paragraph
(d) of Sec. 24.250 is revised to read as
follows:

Sec. 24.250 Application 
for use of new treating material or process.

* * * * *

(d) Processing of 
application. After evaluation of the data 
submitted with the application, 
the appropriate ATF officer will make a 
decision regarding the 
acceptability of the proposed treatment in good 
commercial practice. 
The appropriate ATF officer will notify the 
proprietor of the approval 
or disapproval of the application. 

* * * * *

Sec. 24.267 [Amended]

Par. 37. Section 
24.267 is amended by removing the words \`\`regional 
director (compliance) 
or nearest designated\" and adding, in 
substitution, the word \`\`appropriate\".

Par. 38. The text 
of 24.268 is revised to read as follows: 

Sec. 24.268 Losses 
by fire or other casualty. 

The proprietor must 
immediately report any loss by theft, fire or
other casualty, or any
other extraordinary or unusual loss to the
appropriate ATF officer.
If required by the appropriate ATF officer,

the proprietor must
file a claim under the provisions of Sec. 24.65.

The volume of wine loss
must be reported on ATF F 5120.17 for the

reporting period during
which the loss occurred.

* * * * *

Sec. 24.272 [Amended]

Par. 39. Paragraph
(b)(1) of Sec. 24.272 is amended by removing the

words "regional director
(compliance) of each ATF region in which
taxes are paid" and
adding, in substitution, the words "appropriate

ATF officer".

Par. 40. Paragraph
(a) of Sec. 24.294 is revised to read as

follows:

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Sec. 24.294 Destruction
of Wine.

(a) General. Wine
on bonded wine premises may be destroyed on or

off wine premises by
the proprietor without payment of tax. A
proprietor who wants
to destroy wine on or off wine premises must file

with the appropriate
ATF officer an application stating the kind,
alcohol content, and
approximate volume of wine to be destroyed, where
the wine is to be destroyed,
and the reason for destruction. Wine to be
destroyed must be inspected,
and the destruction supervised, by an
appropriate ATF officer
unless the appropriate ATF officer authorizes
the proprietor to destroy
the wine without inspection and supervision.
The wine must not be
destroyed until the proprietor has received
authority from the appropriate
ATF officer.
Par. 41. The third
sentence of paragraph (a) introductory text, of
Sec. 24.300 is amended
by removing the phrase `submitted to the
regional director (compliance)`.
Par. 42. Sec. 24.300,
paragraph (c) and the third and fifth
sentences of paragraph
(g)(2) are revised to read as follows:
Sec. 24.300 General.
* * * * *
(c) Prescribed forms.
All reports required by this part must be
submitted on forms prescribed
by Sec. 24.20. Entries will be made as
indicated by the headings
of the columns and lines, and as required by
the instructions for
the form. Report forms are furnished free of cost.

* * * * *

(g) ATF F 5120.17,
Report of bonded wine premises operations. * * *

(2) * * * A proprietor
who is commencing operations during a
calendar year and expects
to meet these criteria may use a letter
notice to the appropriate
ATF officer, and file an annual ATF F 5120.17
for the remaining portion
of the calendar year. * * * If there is a
jeopardy to the revenue,
the appropriate ATF officer may at any time
require any proprietor
otherwise eligible for annual filing of a report
of bonded wine premises
operations to file such report monthly.

* * * * *


John W. Magaw,
Director.
Approved: February 9, 1999.

John P. Simpson,

Deputy Assistant Secretary (Regulatory, Tariff and Trade Enforcement).

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