By "Final Order" the order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Surrey Sleep Products, Inc., a corporation, and its officers, and Sol Kitain, individually and as an officer of said corporation, and respondents' agents, representatives, and employees, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale or distribution of mattresses, box springs, or any other articles of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from: Representing, directly or by implication, that their products are guaranteed unless all of the terms and conditions of the guarantee, including its nature and extent, the name and address of the guarantor, and the manner in which the guarantor will perform thereunder, are clearly and conspicuously disclosed in immediate conjunction therewith.

It is further ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form of their compliance with this order.

Issued: April 3, 1968.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 68-5356; Filed, May 3, 1968; 8:45 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 68-121]

PART 8—LIABILITY FOR DUTIES; ENTRY OF IMPORTED MERCHANDISE

Informal Entry

Correction

In F.R. Doc. 68-5215 appearing at page 6603 in the issue of Wednesday, May 1, 1968, middle column, third line from the bottom, delete the line reading "§ 8.50 [Amended]".

Title 22—FOREIGN RELATIONS

Chapter II—Agency for International Development, Department of State

[A.I.D. Reg. 13]

PART 213—COLLECTION OF CIVIL CLAIMS BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Chapter II of Title 22 is amended by adding a new Part 213 as follows:

AUTHORITY: The provisions of this Part 213 issued under sec. 621, Foreign Assistance Act of 1961, as amended, 75 Stat. 445 (22 U.S.C. 2402); sec. 3, Federal Claims Collection Act of 1966, 80 Stat. 308 (31 U.S.C. 952); and in conformity with Joint Regulations issued pursuant to the Federal Claims Collection Act of 1966 by the Attorney General and the Comptroller General prescribing Claims Collection Standards for Civil Claims by the Government for Money or Property, 4 CFR Ch. II.

Subpart A—General Collection Standards

§ 213.1 Applicability of prescribed standards.

The Joint Regulations of the Attorney General and the Comptroller General set forth in Chapter II of Title 4 of the Code of Federal Regulations prescribe standards for the administrative collection, compromise, termination, or suspension of agency collection action, and referral to the General Accounting Office and to the Department of Justice for litigation, of civil claims by the Federal Government for money or property. Except as set forth in this part, these standards (prescribed standards) shall be applied by the Agency for International Development (hereinafter designated as A.I.D.) with respect to its claims for money or property.

§ 213.2 Exceptions to applicability.

(a) The prescribed standards are not applicable to claims arising as a result of:

(1) Loans and sales for which collection and compromise authority is conferred by section 635(g)(2) of the Foreign Assistance Act of 1961, as amended;

(2) Investment guaranty operations for which settlement and arbitration authority is conferred by section 635(i) of the Foreign Assistance Act of 1961, as amended.

(b) The prescribed standards are not applicable to claims against any foreign country or any political subdivision thereof, or any international organization.

(c) The prescribed standards are not applicable in any instance where the Administrator of A.I.D. or his designee determines that the achievement of the purposes of the Foreign Assistance Act of 1961, as amended, or any other Act in whole or in part administered by A.I.D. requires a different course of action.

§ 213.3 Omission not a defense.

Failure by the A.I.D. to comply with any of the provisions of the prescribed standards or of the provisions of this part shall not be available as a defense to any debtor.

§ 213.4 Subdivision and joining of claims.

(a) A debtor's liability arising from a particular transaction or contract (for example, each individual Supplier's Certificate and Agreement with A.I.D.—Form 282) shall be considered as a single claim in determining whether the claim is one not exceeding $20,000 exclusive of interest for the purpose of compromise or termination of collection action. Such a claim may not be subdivided to avoid the monetary ceiling established by the Federal Claims Collection Act of 1966.

(b) The joining of two or more single claims in a demand upon a debtor for a payment exceeding $20,000 does not preclude compromise or termination of collection action with respect to any one of such claims which does not exceed this amount exclusive of interest.

§ 213.5 Fraudulent claims.

Any claim as to which there is an indication of fraud, the presentation of a false claim, or misrepresentation on the part of the debtor or any other party having an interest in the claim shall be handled as set forth in 4 CFR 101.3.

Subpart B—Administrative Collection of Claims

§ 213.11 Prescribed standards.

The prescribed standards applicable to the administrative collection of claims are set forth in 4 CFR Part 102.

§ 213.12 Interest.

Under 4 CFR 102.10, A.I.D. may forego the collection of prejudgment interest as an inducement to voluntary payment in cases where such interest is not mandated by statute, contract, or regulation. However, in cases where the debt arises from an overpayment, prejudgment interest shall be collected from the date of such overpayment if the amount involved and the length of time during which the debtor had use of A.I.D. funds warrant such action.

Subpart C—Compromise of Claims

§ 213.21 Prescribed standards.

The prescribed standards applicable to compromise of claims are set forth in 4 CFR Part 103. These standards apply to the compromise of any claim which does not exceed $20,000 exclusive of interest.

Subpart D—Suspension or Termination of Collection Action

§ 213.31 Applicability.

The prescribed standards applicable to suspension or termination of collection action are set forth in 4 CFR Part 104.

These standards apply to any claim which does not exceed $20,000 exclusive of interest.

Subpart E—Referrals to the General Accounting Office or to the Department of Justice

§ 213.41 **Prescribed standards.**

The prescribed standards applicable to referrals of claims to the General Accounting Office or to the Department of Justice for litigation are set forth in 4 CFR Part 105. Claims shall be referred to the General Accounting Office or to the Department of Justice, as appropriate.

This part shall become effective on the date of its publication in the FEDERAL REGISTER.

WILLIAM S. GAUD,
Administrator.

APRIL 30, 1968.

[F.R. Doc. 68-5362; Filed, May 3, 1968; 8:45 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

[Docket No. 8079; Amdt. 37-17]

PART 37—TECHNICAL STANDARD ORDER AUTHORIZATIONS

Maximum Allowable Airspeed Indicator Systems—TSO-C46a

Correction

In F.R. Doc. 68-4856 appearing at page 6234 in the issue of Wednesday, April 24, 1968, Table I of section 5 of § 37.145 should be corrected as follows: The "Tolerance Knots" entry opposite the 180 speed knots value which now reads "2.9" should read "3.0".

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

[T.D. 6954]

MANUFACTURE, SALE, USE, AND REUSE OF LIQUOR BOTTLES

On February 2, 1968, a notice of proposed rule making to amend 26 CFR Parts 173, 194, 200, 201, 250, and 251, and to revoke 26 CFR Part 175, with respect to requirements relating to liquor bottles, was published in the FEDERAL REGISTER (33 F.R. 2517). In accordance with the notice, interested persons were afforded an opportunity to submit written comments or suggestions pertaining thereto. After consideration of all relevant matter presented regarding the proposed amendments, the regulations as so published are hereby adopted, subject to the changes set forth below:

PARAGRAPH 1. Paragraph C3 is changed by inserting, in § 194.263, a new paragraph (a)(1) and by redesignating existing paragraphs (a)(1) and (a)(2) as (a)(2) and (a)(3), respectively; and by adding a statutory citation.

PAR. 2. Paragraph E13 is changed as follows: Sections 201.540e, 201.540f, 201.540k, 201.540o, and 201.540p are changed.

PAR. 3. Paragraph F4 is changed as follows: Section 250.315 is changed and a new § 250.318 is added.

PAR. 4. Paragraph G4 is changed by making editorial changes in the title and text of § 251.74.

PAR. 5. Paragraph G6 is changed as follows: Section 251.205 is amended and § 251.209 is added as set forth below.

This Treasury decision shall become effective on the first day of the first month which begins not less than 30 days after the date of its publication in the FEDERAL REGISTER.

(Sec. 7805 of the Internal Revenue Code (68A Stat. 917; 26 U.S.C. 7805))

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

LESTER D. JOHNSON,
Commissioner of Customs.

Approved: April 30, 1968.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

In order to (1) relax controls over manufacturers of liquor bottles, including elimination of the requirement for permit to manufacture; (2) simplify requirements for markings to be placed on liquor bottles; (3) eliminate permits to traffic in liquor bottles; (4) eliminate specific provisions for the reuse of liquor bottles for packaging distilled spirits; (5) liberalize provisions as to the disposition of used liquor bottles; (6) liberalize provisions for the use of liquor bottles for display and testing purposes; (7) add provisions which would permit control over bottles found to be deceptive; (8) relocate the modified requirements respecting the receipt, use, disposition, and labeling of liquor bottles, as they relate to bottlers and importers, in other regulations which cover operations in liquor by such persons; (9) relocate the modified requirements as they relate to bottle manufacturers and to prohibitions against reuse and refilling of liquor bottles in Part 173; (10) provide a means whereby containers other than of glass or metal may be used for certain packaging purposes; and (11) make other conforming and clarifying changes, the regulations in 26 CFR Part 175 are revoked and the regulations in 26 CFR Parts 173, 194, 200, 201, 250, and 251 are amended as follows:

PART 173—RETURNS OF SUBSTANCES, ARTICLES OR CONTAINERS

PARAGRAPH A. Title 26 CFR Part 173 is amended as follows:

1. Section 173.1 is amended to include the manufacture and disposition of liquor bottles. As amended, § 173.1 reads as follows:

§ 173.1 **Returns of substances, articles, or containers.**

This part relates to the returns and records of the disposition of articles from which distilled spirits may be recovered, of substances of the character used in the manufacture of distilled spirits, and of containers of the character used for the packaging of distilled spirits; and to the manufacture and disposition of liquor bottles.

2. Section 173.2 is amended by deleting words no longer needed by reason of definition of "Director" in § 173.5. As amended, § 173.2 reads as follows:

§ 173.2 **Forms prescribed.**

The Director is authorized to prescribe all forms required by this part, including demand letters, reports, and returns. Information called for shall be furnished in accordance with the instructions on the forms or issued in respect thereto.

3. Section 173.5 is amended to include definitions of "Bottler" and "CFR," immediately following the existing definition of "Assistant Regional Commissioner;" to include definitions of "Director," "Importer," "Liquor bottle," and "This chapter," immediately following existing definitions of "Denatured spirits," "Distilled spirits or spirits," "Internal revenue officer," and "Substance," respectively; to eliminate the reference to Part 216 in the definition of "Denatured spirits;" and to redefine "United States." These added and amended definitions read as follows:

§ 173.5 **Meaning of terms.**

* * * * *

Bottler. A proprietor of a distilled spirits plant authorized to bottle spirits, a proprietor of a class 8 bonded warehouse qualified under customs laws, or an agency of the United States or any State or political subdivision thereof.

CFR. The Code of Federal Regulations.

* * * * *

Denatured spirits. Spirits to which denaturants have been added pursuant to formulas prescribed in Part 212 of this chapter.

Director. The Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington, D.C.

* * * * *

Importer. A person authorized to import distilled spirits into the United States.

* * * * *

Liquor bottle. A bottle made of glass or earthenware, or of other suitable material approved by the Director, designed or intended for use as a container for distilled spirits for sale for beverage purposes.

* * * * *

This chapter. Chapter I, Title 26, Code of Federal Regulations.

United States. The several States and the District of Columbia.

* * * * *

4. A new Subpart F is added to provide requirements concerning liquor bottles as they relate to manufacturers and to the prohibited reuse or refilling of such bottles. As added, Subpart F reads as follows:

Subpart F—Manufacture, Sale, and Use of Bottles for Packaging Distilled Spirits

AUTHORITY: The provisions of this Subpart F issued under sec. 7805 of the Internal Revenue Code, 68A Stat. 917; 26 U.S.C. 7805. Interpret or apply sec. 5301 of the Internal Revenue Code, 72 Stat. 1374; 26 U.S.C. 5301.

Subpart F—Manufacture, Sale, and Use of Bottles for Packaging Distilled Spirits

§ 173.31 Scope of subpart.

The provisions of this subpart shall apply only to liquor bottles having a capacity of ½ pint or more except where expressly applied to liquor bottles of less than ½-pint capacity.

§ 173.32 Notice and request by bottle manufacturer.

Any person intending to engage in the manufacture of domestic liquor bottles shall file Form 4328 with the assistant regional commissioner of the region in which the manufacturing premises are located, giving notice of intent and requesting assignment of a bottle manufacturer's number: *Provided,* That where a bottle manufacturer operates manufacturing premises at more than one location, he may file one notice covering two or more such premises and be assigned one bottle manufacturer's number for use at such premises. Where manufacturing premises covered by a single notice are located in more than one region, the Form 4328 shall be filed with the assistant regional commissioner of the region in which the principal business office is located. The number of copies of Form 4328 to be prepared shall be as specified in the instructions on the form. If a bottle manufacturer who has been assigned a bottle manufacturer's number desires to manufacture liquor bottles at an additional location but under the same number, or moves the manufacturing premises to a new location, he shall file an amended notice on Form 4328 to cover such additional or changed location. Domestic liquor bottles shall not be manufactured until the manufacturer has received from the assistant regional commissioner a copy of Form 4328, with Part II executed by the assistant regional commissioner, covering the premises at which liquor bottles are to be manufactured.

§ 173.33 Indicia for domestic liquor bottles.

There shall be legibly blown, etched, sand-blasted, marked by underglaze coloring, or otherwise permanently marked by any method approved by the Director, on each liquor bottle (a) the words "Liquor Bottle" and (b) the bottle manufacturer's number assigned under § 173.32: *Provided,* That distinctive liquor bottles not bearing the indicia required by this section may be manufactured on receipt from a bottler or importer of a copy of approved Form 4329. Additional information, such as the bottler's or importer's permit number, may also be permanently placed on the liquor bottles by the manufacturer thereof provided such information does not conflict with information required to be placed on labels and is so located as not to obscure indicia required by this section or interfere with the labeling or stamping of the bottle, when filled, as provided in Parts 201, 250, and 251 of this chapter.

§ 173.34 Indicia for imported liquor bottles.

(a) *Empty liquor bottles.* There shall be legibly blown, etched, sand-blasted, marked by underglaze coloring, or otherwise permanently marked by any other method approved by the Director, on each imported empty liquor bottle (1) the words "Liquor Bottle" and (2) the city or country of address of the bottle manufacturer (either in the language of such country or in English): *Provided,* That empty distinctive liquor bottles not bearing such indicia may be released from customs custody, as excepted from the marking requirements of this paragraph, on receipt by the customs officer at the port of entry of a copy of approved Form 4329 covering the use of such bottles.

(b) *Filled liquor bottles.* There shall be legibly blown, etched, sand-blasted, marked by underglaze coloring, or otherwise permanently marked by any method approved by the Director, on each imported filled liquor bottle (1) the words "Liquor Bottle" and (2) the city or country of address of the manufacturer of the spirits, or of the exporter abroad, or the city of address of the importer in the United States; or, in the case of domestic bottles exported and filled abroad, the indicia required under § 173.33: *Provided,* That filled distinctive liquor bottles not bearing such indicia may be imported pursuant to an approved Form 4329 filed by the importer, as excepted from the marking requirements of this paragraph. The city or country of address of the manufacturer of the spirits or of the exporter abroad may be in the language of such country or in English.

(c) *Additional information permanently marked on liquor bottles.* Additional information, such as the name of the foreign manufacturer of the spirits or of the exporter abroad, or the symbol and permit number of the domestic bottler, as applicable, may be permanently marked on liquor bottles provided such information does not conflict with information required to be placed on labels and is so located as not to obscure indicia required by this section or interfere with the labeling or stamping of the bottle, when filled, as provided in Parts 201, 250, and 251 of this chapter.

§ 173.35 Bottles manufactured with previously prescribed indicia.

Notwithstanding the provisions of §§ 173.33 and 173.34, bottles may continue to be manufactured from existing molds which contain the indicia prescribed by regulations in effect on the day preceding the effective date of this subpart: *Provided,* That only molds bearing the indicia prescribed in § 173.33 or § 173.34, as applicable, shall be used after December 31, 1970. Bottles manufactured on or before December 31, 1970, as provided in this section shall be deemed to be liquor bottles for purposes of this subpart and Parts 194, 201, 250, and 251 of this chapter.

§ 173.36 Persons authorized to receive liquor bottles.

Except as otherwise provided in this subpart, liquor bottles may be sold consigned, or shipped only to a bottler or, where the bottles will be filled abroad and imported into the United States as provided in Parts 250 and 251 of this chapter, to an importer: *Provided,* That empty liquor bottles may be exported for other use abroad, but when so exported bottles bearing indicia as provided in this subpart will be denied entry into the United States if they contain a product other than distilled spirits.

§ 173.37 Shipment of liquor bottles for further processing.

A bottle manufacturer may ship liquor bottles to another person for additional processing, such as coloring or cutting, where legal title to the bottles remains with the bottle manufacturer until delivered to a person authorized to receive liquor bottles under § 173.36.

§ 173.38 Liquor bottles for testing purposes.

A bottle manufacturer may, on notice to the assistant regional commissioner of the region in which his manufacturing premises are located, ship a reasonable number of liquor bottles for bona fide testing purposes, such as the testing of bottling machinery by the manufacturer thereof. The notice shall show the name and address of the person to whom the bottles are shipped, and the number of bottles shipped. Such shipments shall be reflected in the commercial records of the bottle manufacturer.

§ 173.39 Manufacturer's records.

A manufacturer shall keep commercial records covering the manufacture and disposition of liquor bottles (including any liquor bottles returned to him). Such records shall be available for inspection, during regular business hours of the manufacturer, by any internal revenue officer. He shall also make available for inspection, at such times and by any such officer, all stocks of liquor bottles on hand, regardless of where stored. The assistant regional commissioner may, by demand letter, require the filing of returns and the keeping of records as required in Subparts C and D, respectively, of this part. All records referred to in this section shall be retained as provided in § 173.15: *Provided*, That the assistant regional commissioner may, pursuant to application, in duplicate, authorize such records to be maintained at a location other than the manufacturing premises of the bottle manufacturer, if he finds that such maintenance will not cause undue inconvenience to internal revenue officers desiring to examine the records.

§ 173.40 Discontinuance of business.

When a bottle manufacturer discontinues the manufacture of liquor bottles at any location covered by a notice on Form 4328, he shall so notify the assistant regional commissioner of the region in which the discontinued manufacturing premises are located, in writing, in duplicate. Stocks of liquor bottles on hand at such premises must be destroyed (including disposition for purposes which will render them unusable as bottles), transferred to other manufacturing premises operated by the same manufacturer, or disposed of as authorized in § 173.36: *Provided*, That, on approval by the assistant regional commissioner of a written application submitted in duplicate, liquor bottles may be otherwise disposed of.

§ 173.41 Possession of used liquor bottles.

The possession of used liquor bottles, including liquor bottles of less than ½-pint capacity, by any person other than the person who empties the original contents thereof, is prohibited, except that this shall not prevent the owner or occupant of any premises on which such bottles have been lawfully emptied from assembling the same on such premises for disposition as authorized in § 194.263 of this chapter, or prevent any person from possessing, offering for sale, or selling unusual or distinctive used liquor bottles as collectors' items, or for other purposes not involving the packaging of any product for sale.

§ 173.42 Possession of refilled liquor bottles.

No person who sells, or offers for sale, distilled spirits, or agent or employee of such person, shall (a) possess any liquor bottle in which any distilled spirits have been placed in violation of section 5301 (c) of the Internal Revenue Code or § 173.43, or (b) possess any liquor bottle, any portion of the contents of which has been altered or increased in violation of section 5301(c) of the Internal Revenue Code or § 173.43. The provisions of this section are applicable to all liquor bottles, including those of less than ½-pint capacity.

§ 173.43 Refilling of liquor bottles.

No person who sells, or offers for sale, distilled spirits, or any agent or employee of such person, shall (a) place in any liquor bottle any distilled spirits whatsoever other than the distilled spirits contained in such bottle at the time such bottle was filled and stamped under the provisions of Chapter 51 of the Internal Revenue Code, or (b) by the addition of any substance whatsoever to any liquor bottle, in any manner alter or increase the original contents or any portion of the original contents contained in such bottle at the time such bottle was filled and stamped under the provisions of Chapter 51 of the Internal Revenue Code. The provisions of this section are applicable to all liquor bottles, including those of less than ½-pint capacity.

PART 175—TRAFFIC IN CONTAINERS OF DISTILLED SPIRITS

PAR. B. Part 175 of Chapter I of Title 26 of the Code of Federal Regulations is revoked.

PART 194—LIQUOR DEALERS

PAR. C. Title 26 CFR Part 194 is amended as follows:

1. Section 194.11 is amended by redefining "Liquor bottle." The amended definition reads as follows:

§ 194.11 Meaning of terms.

* * * * *

Liquor bottle. A bottle made of glass or earthenware, or of other suitable material approved by the Director, designed or intended for use as a container for distilled spirits for sale for beverage purposes.

* * * * *

2. Section 194.261 is amended by deleting the reference to Part 175, and to make clarifying changes. As amended, § 194.261 reads as follows:

§ 194.261 Refilling of liquor bottles.

No person who sells, or offers for sale, distilled spirits, or agent or employee of such person, shall (a) place in any liquor bottle any distilled spirits whatsoever other than those contained in such bottle at the time of stamping under the provisions of Chapter 51, I.R.C., or (b) by the addition of any substance whatsoever to any liquor bottle, in any manner alter or increase any portion of the original contents contained in such bottle at the time of stamping under the provisions of Chapter 51, I.R.C.

(72 Stat. 1374; 26 U.S.C. 5301)

3. Section 194.263 is amended by deleting the reference to Part 175, eliminating the provision for delivery of used liquor bottles to bottlers and importers, providing other means of disposing of such bottles, and adding a statutory citation. As amended, § 194.263 reads as follows:

§ 194.263 Possession of used liquor bottles.

The possession of used liquor bottles by any person other than the person who empties the contents thereof is prohibited, except that this shall not (a) prevent the owner or occupant of any premises on which such bottles have been lawfully emptied from assembling the same on such premises (1) for delivery to a bottler or importer on specific request of such bottler or importer; (2) for destruction, either on the premises on which the bottles are emptied or elsewhere, including disposition for purposes which will result in the bottles being rendered unusable as bottles; or (3) in the case of unusual or distinctive bottles, for disposition as collectors' items or for other purposes not involving the packaging of any product for sale; or (b) prevent any person from possessing, offering for sale, or selling such unusual or distinctive bottles for purposes not involving the packaging of any product for sale.

(72 Stat. 1374; 26 U.S.C. 5301)

PART 200—RULES OF PRACTICE IN PERMIT PROCEEDINGS

PAR. D. Title 26 CFR Part 200 is amended as follows:

§ 200.17 [Amended]

1. Section 200.17 is amended by deleting paragraph (b) and redesignating paragraphs (c) through (f) as paragraphs (b) through (e), respectively.

§ 200.47 [Revoked]

2. Section 200.47 is revoked.

3. Section 200.49 is amended by deleting references to container permits. As amended, § 200.49 reads as follows:

§ 200.49 Applications for basic permits.

If, upon examination of any application (including a renewal application) for a basic permit, the assistant regional commissioner has reason to believe that the applicant is not entitled to such permit he shall issue a citation for the contemplated disapproval of the application.

PART 201—DISTILLED SPIRITS PLANTS

PAR. E. Title 26 CFR Part 201 is amended to read as follows:

1. Section 201.4 is amended by deleting the reference to 26 CFR Part 175 and by inserting in lieu thereof a reference to 26 CFR Part 173. The added reference reads as follows:

§ 201.4 Related regulations.

* * * * *

26 CFR Part 170 * * *
26 CFR Part 173—Returns of Substances, Articles, or Containers.

* * * * *

2. Section 201.11 is amended by redefining "Liquor bottle." The amended definition reads as follows:

§ 201.11 Meaning of terms.

* * * * *

Liquor bottle. A bottle made of glass or earthenware, or of other suitable material approved by the Director, designed or intended for use as a container for distilled spirits for sale for beverage purposes.

* * * * *

3. Section 201.328 is amended by deleting the reference to Part 175 and adding a reference to Subpart Pa, and by adding clarifying language. As amended, § 201.328 reads as follows:

§ 201.328 **Liquor bottles.**

The proprietor shall comply with the provisions of Subpart Pa of this part respecting the use of liquor bottles. Spirits may be bottled in bond for domestic purposes only in the sizes provided in 27 CFR Part 5. Spirits may be bottled in bond for export in bottles of any size less than 5 gallons. Bottles bearing the indicia required under Part 173 of this chapter may be used, but need not be used, in bottling spirits in bond for export.

(72 Stat. 1360, 1366, 1374; 26 U.S.C. 5206, 5233, 5301)

4. Section 201.329 is amended by deleting current text and inserting in lieu thereof reference to label requirements in Subpart Pa. As amended, § 201.329 reads as follows:

§ 201.329 **Label requirements.**

The proprietor shall comply with the applicable provisions of Subpart Pa of this part respecting certificates of label approval, exemptions from label approval, and information to be shown on labels to be used on bottles of distilled spirits bottled in bond for domestic use.

5. Paragraph (a) of § 201.343 is amended to refer to Subpart Pa in lieu of Part 175. As amended, § 201.343(a) reads as follows:

§ 201.343 **General.**

(a) *Bottled alcohol.* Alcohol of 190 degrees or more of proof may be bottled and cased in the bonded warehouse under the direct supervision of the assigned officer. Alcohol may be bottled in containers of 1 gallon or less, or in bottles complying with the provisions of § 201.504; however, the proprietor is required to comply with the provisions of Subpart Pa of this part where applicable. The proprietor shall prepare Form 1515 for alcohol to be bottled in the bonded warehouse. The heading of Form 1515 shall be prominently marked with the word "Alcohol," and the form shall be further modified to show only the size of bottles, the number of cases filled, and the disposition of such cases; on completion of the bottling of the lot, Form 1515 shall be noted to show the quantity withdrawn from the tank and shall be delivered to the assigned officer. Form 1620 shall be prepared by the proprietor for each lot of alcohol bottled.

* * * * *

6. Section 201.344 is amended by deleting the reference to Part 175 and by adding a reference to Subpart Pa. As amended, § 201.344 reads as follows:

§ 201.344 **Stamps and labels.**

The proprietor shall affix to each bottle of alcohol filled by him an alcohol strip stamp which shall be procured and affixed as provided in Subpart Q of this part. All bottles of alcohol shall have securely affixed thereto a label showing (a) alcohol and (b) the name, address, and plant number of the bottler. In addition, bottled alcohol to be withdrawn on tax determination shall be labeled in accordance with the provisions of Subpart Pa of this part or 27 CFR Part 5, as applicable. The proprietor may place on the label any additional information that he may desire if it is not inconsistent with the required information.

(72 Stat. 1358, 1369; 26 U.S.C. 5205, 5235)

7. Section 201.349 is amended by deleting the reference to § 201.329 and by inserting a reference to Subpart Pa. As amended, § 201.349 reads as follows:

§ 201.349 **Stamp, bottle, and label requirements.**

The strip stamps on bottles of spirits to be rebottled shall be destroyed at the time of dumping the bottles, and new strip stamps, overprinted with exactly the same data as the original stamps, in regard to the name of the producer, and the seasons and years of production and bottling, shall be affixed to the bottles in which the spirits are rebottled. Liquor bottles used for rebottling shall comply with the provisions of § 201.328. Where spirits are relabeled, the proprietor shall comply with § 201.330, and Subpart Pa of this part. Bottled-in-bond spirits which have been rebottled, relabeled, or restamped shall be returned to original cases, or placed in new cases. Such cases shall be marked in accordance with Subpart P of this part; rebottled spirits shall show the plant number of the rebottler.

8. Section 201.457 is amended by deleting the reference to Part 175 and by inserting a reference to Subpart Pa. As amended, § 201.457 reads as follows:

§ 201.457 **Liquor bottles.**

Liquor bottles may not be used for wines containing 24 percent alcohol by volume or less or for products manufactured with such wines unless such products contain spirits other than wine spirits used in wine production. Liquor bottles may be used, but need not be used, in bottling spirits for export. (See Subpart Pa of this part for provisions respecting liquor bottles.)

(72 Stat. 1374; 26 U.S.C. 5301)

9. Section 201.458 is amended by changing the present text to make it applicable to wine only, and by designating it as paragraph (a); and by adding a new paragraph (b). As amended, § 201.458 reads as follows:

§ 201.458 **Certificate of label approval or exemption.**

(a) *Wine.* Proprietors are required by 27 CFR Part 4 to obtain approval of labels, or exemption from label approval, for any label to be used on bottles or packages of wine for domestic use, and are required to exhibit evidence of label approval, or of exemption from label approval, on request of an internal revenue officer. Labels, covered by a certificate of exemption from label approval, to be affixed to bottles and packages in which wines are packaged for sale shall conform to the provisions of Part 240 of this chapter.

(b) *Distilled spirits.* Requirements for label approvals or exemptions from label approval for labels to be used on bottles of distilled spirits bottled for domestic use are contained in § 201.5401.

(72 Stat. 1381, 1386; 26 U.S.C. 5363, 5368, 5386)

10. Section 201.501 is amended to provide for the approval and use of containers made of materials other than those specified, for certain purposes, and to make other clarifying and conforming changes. As amended, § 201.501 reads as follows:

§ 201.501 **General.**

Proprietors shall use for any purpose of containing, storing, transferring, conveying, removing, or withdrawing spirits or denatured spirits under this part only containers which are authorized by, or under the provisions of this part for such purpose, and a container so authorized will be deemed to be an approved container for such purpose. In addition to the types of containers specifically authorized by this part for a particular purpose, a container of another type may be authorized for that purpose by the Director on a finding by him that the use of such container will afford protection to the revenue equal to or greater than that afforded by the containers specifically authorized by this part, and that the use will not cause administrative difficulty. Where another container is so authorized by the Director, he shall prescribe the detail and manner in which such container shall be constructed, protected, marked, and branded, consistent with the provisions of this part and the extent of such use. Similarly, where a container authorized for a particular purpose is required by this subpart to be made of specified materials, the Director may authorize the use of containers made of other materials which he has found to be suitable for the intended purpose. This subpart does not regulate or prohibit the use on plant premises of any container for purposes other than containing alcoholic substances.

(72 Stat. 1315, 1360, 1362, 1374; 26 U.S.C. 5002, 5206, 5212, 5213, 5214, 5301)

11. Section 201.502 is amended by including a reference to Subpart Pa, in lieu of to Subpart K, for bottling spirits in bond for domestic use. As amended, § 201.502 reads as follows:

§ 201.502 **Containers of 1 gallon or less.**

The provisions of Subpart K of this part govern the containers to be used in bottling spirits in bond for export under section 5233, I.R.C., and bottling alcohol on bonded premises under section 5235, I.R.C. The provisions of Subpart Pa of this part govern the containers to be used in bottling spirits in bond for domestic use under section 5233, I.R.C. The provisions of Subpart N of this part govern the bottling of spirits and wines on bottling premises. Denatured spirits may be filled on bonded premises into metal or glass containers of a capacity of 1 gallon or less. Liquor bottles shall not be used for bottling denatured spirits. Spirits in bottles of a capacity of 1 gallon or less, except anhydrous spirits and spirits to be withdrawn from bond free of tax, are deemed to be for nonindustrial use.

(72 Stat. 1315, 1360, 1374; 26 U.S.C. 5002, 5206, 5301)

12. Section 201.504 is amended by deleting the reference to Part 175. As amended, § 201.504 reads as follows:

§ 201.504 **Containers holding from 1 gallon to 10 gallons.**

Spirits in bond, including denatured spirits, for industrial use, may be filled into glass containers of a capacity greater than 1 gallon but not greater than 10 gallons, and metal containers of a capacity of 1 gallon but not greater than 10 gallons. Spirits in bond, for nonindustrial use, may be filled into metal containers holding 10 gallons and, if for export, such spirits may be filled into metal containers holding 5 gallons. Spirits or wines on bottling premises may be filled into glass containers of a capacity greater than 1 gallon but not greater than 5 gallons and into metal containers of a capacity greater than 1 gallon but not greater than 10 gallons. Pursuant to the provisions of this part, and of 27 CFR Part 5, containers filled in bond under this section may be stored on bonded premises, transferred in bond, or withdrawn from bonded premises, and containers filled on bottling premises under this section may be received in, stored on, and removed from such premises.

(72 Stat. 1315, 1360; 26 U.S.C. 5002, 5206)

13. A new Subpart Pa is added to provide requirements concerning liquor bottles as those requirements relate to domestic bottlers of distilled spirits, including bottling in bond. As added, Subpart Pa reads as follows:

Subpart Pa—Liquor Bottle and Label Requirements

AUTHORITY: The provisions of this Subpart Pa issued under sec. 7805 of the Internal Revenue Code, 68A Stat. 917; 26 U.S.C. 7805. Interpret or apply sec. 5301 of the Internal Revenue Code, 72 Stat. 1374; 26 U.S.C. 5301. Other statutory provisions interpreted or applied are cited to text in parentheses.

Subpart Pa—Liquor Bottle and Label Requirements

§ 201.540a **Scope of subpart.**

The provisions of §§ 201.540b through 201.540k of this subpart shall apply only to liquor bottles having a capacity of ½ pint or more except where expressly applied to liquor bottles of less than ½-pint capacity. The provisions of §§ 201.540l through 201.540u shall apply to all liquor bottles, regardless of size.

LIQUOR BOTTLE REQUIREMENTS

§ 201.540b **Bottles authorized.**

Liquor bottles shall conform to the applicable standards of fill provided in Subpart H of 27 CFR Part 5, including those for liquor bottles of less than ½-pint capacity. The use of any bottle size other than as authorized in Subpart H of 27 CFR Part 5 is prohibited for the packaging of distilled spirits for domestic purposes, except that 4-ounce liquor bottles may be used for packaging any distilled spirits on bottling premises for sale in intrastate commerce only. Bottles bearing the indicia required under Part 173 of this chapter may be used, but need not be used, in bottling spirits for export.

§ 201.540c **Indicia for bottles.**

Except as provided in § 201.540d, liquor bottles used for packaging spirits for domestic use shall bear the indicia prescribed in § 173.33 or 173.34 of this chapter. Additional information may, as provided in Part 173 of this chapter, be permanently marked on such liquor bottles.

§ 201.540d **Distinctive liquor bottles.**

On application, on Form 4329, the assistant regional commissioner of the region in which the plant is situated may authorize a proprietor to use imported or domestic liquor bottles not bearing the indicia required under Part 173 of this chapter, provided such bottles, because of their unique or distinctive shape or design, have been found by the Director not to afford a jeopardy to the revenue, and to be suitable for the intended purpose.

§ 201.540e **Approval of distinctive liquor bottles.**

Application, in letter form, in duplicate, for the approval of any distinctive liquor bottle, accompanied by a specimen bottle or an authentic model or other representation acceptable to the Director, and nine photographs thereof, size 5″ x 7″, shall be submitted to the Director. The application shall specify whether the bottles are to be used for packaging liqueurs, cordials, bitters, cocktails, and other specialties, or for packaging other distilled spirits. Approval of the distinctive bottle must be obtained prior to the submission of an application on Form 4329 to the assistant regional commissioner.

§ 201.540f **Receipt and storage of liquor bottles.**

No proprietor shall accept shipment or delivery of liquor bottles except from the manufacturer thereof, a supplier abroad, or another proprietor: *Provided*, That the Director may, pursuant to letterhead application filed in triplicate, authorize a proprietor to receive and reuse liquor bottles assembled for such proprietor as provided in § 194.263 of this chapter. Liquor bottles, including those of less than ½-pint capacity, shall be stored in a safe and secure place, either on the proprietor's qualified premises or at another location.

§ 201.540g **Bottles to be used for display purposes.**

Liquor bottles may be furnished to liquor dealers for display purposes: *Provided*, That each bottle is marked to show that it is to be used for such purpose. Any paper strip used to seal the bottle shall be of solid color and without design or printing, except that the use of a border or a design, formed entirely of the legend "not genuine—for display purposes only" is permissible. The disposition of such bottles, showing names and addresses of consignees, dates of shipment, and size, quantity, and description of bottles, shall be included in the records required under § 201.630a.

§ 201.540h **Bottles for testing purposes.**

A proprietor may, on notice to the assistant regional commissioner of the region in which his premises are located, ship a reasonable number of liquor bottles for bona fide testing purposes, such as the testing of bottling machinery by the manufacturer thereof. The notice shall show the name and address of the person to whom the bottles are shipped, and the number of bottles shipped. Such shipments shall be reflected in the records required under § 201.630a.

§ 201.540i **Bottles not constituting approved containers.**

The Director is authorized to disapprove any bottle, including a bottle of less than ½-pint capacity, for use as a liquor bottle which he determines to be deceptive. Any such bottle, whether or not it bears the indicia required under Part 173 of this chapter, is not an approved container for the purposes of § 201.501 of this part, and shall not be used for packaging distilled spirits for domestic purposes.

§ 201.540j Disposition of stocks of liquor bottles.

When a proprietor discontinues business, or permanently discontinues the use of a particular size or type of liquor bottle, the stocks of such bottles on hand shall either be disposed of to another person authorized to receive liquor bottles, or destroyed (including disposition for purposes which will render them unusable as bottles): *Provided*, That, on approval by the assistant regional commissioner of the region in which the proprietor's premises are located of a written application submitted in duplicate, liquor bottles may be otherwise disposed of.

§ 201.540k Use and resale of liquor bottles.

No proprietor shall use any liquor bottle except for packaging distilled spirits, or dispose of any empty liquor bottle except to another person authorized to receive liquor bottles or as provided in § 201.540j. Bottles may be furnished to others for display and testing purposes as provided in §§ 201.540g and 201.540h, respectively.

BOTTLE LABEL REQUIREMENTS

§ 201.540l Certificate of label approval or exemption.

Proprietors are required by 27 CFR Part 5 to obtain approval of labels, or exemption from label approval, for any label to be used on bottles of spirits for domestic use and shall exhibit evidence of label approval, or of exemption from label approval, on request of the assigned officer.

§ 201.540m Caution notice, spirits bottled in bond.

Each bottle of spirits bottled in bond under section 5233, I.R.C. (except for export) shall have affixed thereto a caution notice (clearly legible) reading as follows:

> This bottle has been filled and stamped under the provisions of sections 5205 and 5233, Internal Revenue Code. Any person who shall reuse the stamp affixed to this bottle or remove the contents of this bottle without so breaking the stamp affixed thereto as to prevent reuse, or who shall sell this bottle, or reuse it for distilled spirits, will be liable to the penalties prescribed by law.

Bottles containing spirits bottled for export may have affixed thereto such caution notice.

(72 Stat. 1366; 26 U.S.C. 5233)

§ 201.540n Statements required on labels under an exemption from label approval.

All labels to be used on bottles of spirits for domestic use under an exemption from label approval shall contain the applicable information required in §§ 201.540o through 201.540u. Where a statement of age is required, it shall have the meaning given, and be stated in the manner provided, in 27 CFR Part 5.

§ 201.540o Brand name, class and type, and alcohol content.

The brand name, class and type as set out in 27 CFR Part 5, and alcohol content of the distilled spirits, by proof, shall be shown on the label except that the alcohol content may be stated in percentage, by volume, in the case of liqueurs, cordials, bitters, cocktails, gin fizzes, or other such specialties.

§ 201.540p Net contents.

The net contents of liquor bottles shall be shown on the label, unless the statement of the net contents is permanently marked on the side, front, or back of the bottle.

§ 201.540q Name and address of bottler.

There shall be stated on the label the phrase "Bottled by," immediately followed by the name of the bottler or the trade name under which the spirits are bottled, and the place where such spirits are bottled. If the bottler is the actual bona fide operator of more than one bottling plant engaged in bottling the same brand of distilled spirits, there may be stated immediately following the name (or trade name) of such bottler the addresses of the plants at which such product is bottled: *Provided*, That on labels of whisky and straight whisky there shall be stated the State of distillation of such whisky, if such whisky is not distilled in the State given in the address on the brand label: *Provided further*,

(a) That, where distilled spirits are bottled by or for the distiller thereof, there may be stated, in lieu of the phrase "Bottled by," followed by the bottler's name (or trade name) and address, the phrase "Distilled by," followed by the name (or trade name) under which the particular spirits were distilled, and the address (or addresses) of the distiller;

(b) That, where distilled spirits are bottled by or for the rectifier thereof, there may be stated, in lieu of the phrase "Bottled by," followed by the bottler's name (or trade name) and address, the phrase "Blended by," "Made by," "Prepared by," "Manufactured by," or "Produced by" (whichever may be appropriate to the act of rectification involved), followed by the name (or trade name) under which the distilled spirits were rectified, and the address (or addresses) of the rectifier; and

(c) That, on labels of distilled spirits bottled for a retailer or other person who is not the actual distiller or rectifier of such distilled spirits, there may also be stated the name and address of such retailer or other person, immediately preceded by the words "Bottled for," or "Distributed by," or other similar statement.

For the purpose of this section, the term "bottler" shall include the proprietor of a distilled spirits plant qualified to bottle distilled spirits in bond.

§ 201.540r Age of whisky not blended or rectified.

If whisky is not blended or rectified, the age thereof shall be shown on the label, but this statement shall not be required as to whisky bottled in bond or foreign or domestic whisky 4 years or more old.

§ 201.540s Age of whisky blended or rectified.

If whisky is blended or rectified, the age of the whisky therein and the respective percentage, by volume, of whisky or whiskies and neutral spirits shall be shown on the label: *Provided*, That this statement shall not be required in the case of blended foreign or domestic whiskies containing no neutral spirits, all of which are 4 years or more old.

§ 201.540t Age of brandy.

If brandy is aged for a period of less than 2 years, the age thereof shall be shown on the label.

§ 201.540u Coloring matter.

A statement of the percentage, by volume, of coloring matter, if such coloring matter is present in the distilled spirits in excess of 2½ percent by volume, shall be shown on the label, except that this requirement shall not apply to liqueurs, cordials, bitters, cocktails, gin fizzes, or other such specialties.

14. A new section, § 201.630a, is added, immediately following § 201.630, to provide recordkeeping requirements respecting liquor bottles, as follows:

§ 201.630a Records of liquor bottles.

Proprietors having facilities for bottling in bond or bottling premises shall keep records covering the receipt, use, and disposition of liquor bottles in such manner as to enable any internal revenue officer to verify and trace the receipt and disposition of such bottles.

(72 Stat. 1374; 26 U.S.C. 5301)

PART 250—LIQUORS AND ARTICLES FROM PUERTO RICO AND THE VIRGIN ISLANDS

PAR. F. Title 26 CFR Part 250 is amended as follows:

1. Section 250.11 is amended to include a definition of "Liquor bottle," immediately following the existing definition of "I.R.C." The added definition reads as follows:

§ 250.11 Meaning of terms.

* * * * *

Liquor bottle. A bottle made of glass or earthenware, or of other suitable material approved by the Director, Alcohol and Tobacco Tax Division, designed or intended for use as a container for distilled spirits for sale for beverage purposes.

* * * * *

2. Section 250.38 is amended by deleting the reference to Part 175 and by adding a reference to Subpart P. As amended, § 250.38 reads as follows:

§ 250.38 Containers of distilled spirits.

Containers of distilled spirits brought into the United States from Puerto Rico, having a capacity of not more than 1 gallon, shall conform to the requirements of Subpart P of this part.

(72 Stat. 1374; 26 U.S.C. 5301)

3. Section 250.203 is amended by deleting the reference to Part 175 and by

inserting a reference to Subpart P. As amended, § 250.203 reads as follows:

§ 250.203 **Containers of 1 gallon or less.**

Containers of distilled spirits brought into the United States from the Virgin Islands, having a capacity of not more than 1 gallon, shall conform to the requirements of Subpart P of this part.

(72 Stat. 1374; 26 U.S.C. 5301)

4. A new Subpart P is added to provide requirements concerning liquor bottles brought into the United States from Puerto Rico and the Virgin Islands. As added, Subpart P reads as follows:

Subpart P—Requirements for Liquor Bottles

AUTHORITY: The provisions of this Subpart P issued under sec. 7805 of the Internal Revenue Code, 68A Stat. 917; 26 U.S.C. 7805. Interpret or apply sec. 5301 of the Internal Revenue Code, 72 Stat. 1374; 26 U.S.C. 5301.

Subpart P—Requirements for Liquor Bottles

§ 250.311 **Scope of subpart.**

The provisions of this subpart shall apply only to liquor bottles having a capacity of ½ pint or more except where expressly applied to liquor bottles of less than ½-pint capacity.

§ 250.312 **Standards of fill.**

Distilled spirits brought into the United States from Puerto Rico or the Virgin Islands in containers of 1 gallon or less for sale shall be in liquor bottles, including liquor bottles of less than ½-pint capacity, which conform to the applicable standards of fill provided in Subpart H of 27 CFR Part 5. Empty liquor bottles, including liquor bottles of less than ½-pint capacity, which conform to the provisions of Subpart H of 27 CFR Part 5 or § 201.540b of this chapter, may be brought into the United States for packaging distilled spirits as provided in Part 201 of this chapter.

§ 250.313 **Indicia for bottles.**

Except as provided in § 250.314, only liquor bottles bearing the indicia prescribed by § 173.34 of this chapter may be used for bringing distilled spirits into the United States from Puerto Rico or the Virgin Islands. Additional information may, as provided in Part 173 of this chapter, be permanently marked on such bottles.

§ 250.314 **Distinctive liquor bottles.**

On application, Form 4329, the assistant regional commissioner may authorize distilled spirits to be brought into the United States from Puerto Rico or the Virgin Islands in liquor bottles not bearing the indicia required under Part 173 of this chapter, provided such bottles, because of their unique or distinctive shape or design, have been found by the Director, Alcohol and Tobacco Tax Division, not to afford a jeopardy to the revenue and to be suitable for the intended purpose.

§ 250.315 **Approval of distinctive liquor bottles.**

Application, in letter form, in duplicate, for the approval of any distinctive liquor bottle, accompanied by a specimen bottle or an authentic model or other representation acceptable to the Director and nine photographs thereof, size 5″ x 7″, shall be submitted to the Director, Alcohol and Tobacco Tax Division. The application shall specify whether the bottles are to be used for packaging liqueurs, cordials, bitters, cocktails, and other specialties, or for packaging other distilled spirits. Approval of the distinctive bottle must be obtained prior to the submission of an application on Form 4329 to the assistant regional commissioner.

§ 250.316 **Bottles not constituting approved containers.**

The Director, Alcohol and Tobacco Tax Division, is authorized to disapprove any bottle, including a bottle of less than ½-pint capacity, for use as a liquor bottle which he determines to be deceptive. The customs officer at the port of entry shall deny entry of any such bottle containing distilled spirits, whether or not it bears the indicia required under Part 173 of this chapter, upon advice from the Director that such bottle is not an approved container for distilled spirits for consumption in the United States.

§ 250.317 **Bottles to be used for display purposes.**

Empty liquor bottles may be brought into the United States and may be furnished to liquor dealers for display purposes, provided each bottle is marked to show that it is to be used for such purpose. Any paper strip used to seal the bottle shall be of solid color and without design or printing, except that a border or a design, formed entirely of the legend "not genuine—for display purposes only" is permissible. Records shall be kept of the receipt and disposition of such bottles, showing the names and addresses of consignees, dates of shipment, and size, quantity, and description of bottles.

§ 250.318 **Liquor bottles denied entry.**

Filled liquor bottles not conforming to the provisions of this subpart shall be denied entry into the United States: *Provided*, That, upon letterhead application, in triplicate, the assistant regional commissioner of the region in which the port of entry is situated may, in nonrecurring cases, authorize the release from customs custody of distilled spirits in bottles, except those coming under the provisions of § 250.316, which, through unintentional error, do not conform to the provisions of this subpart, if he finds that such release will not afford jeopardy to the revenue.

§ 250.319 **Used liquor bottles.**

The Director may, pursuant to letterhead application filed in triplicate, authorize an importer to receive liquor bottles assembled for him as provided in § 194.263 of this chapter. Used liquor bottles so received may be stored at any suitable location pending return to Puerto Rico or the Virgin Islands. Records shall be kept of the receipt and disposition of such bottles.

PART 251—IMPORTATION OF DISTILLED SPIRITS, WINES, AND BEER

PAR. G. Title 26 CFR Part 251 is amended as follows:

1. Section 251.11 is amended to include a definition of "Liquor bottle," immediately following the existing definition of "I.R.C." The added definition reads as follows:

§ 251.11 **Meaning of terms.**

* * * * *

Liquor bottle. A bottle made of glass or earthenware, or of other suitable material approved by the Director, designed or intended for use as a container for distilled spirits for sale for beverage purposes.

* * * * *

2. Section 251.56 is amended by deleting references to Part 175 and by adding references to Subpart N, and by making a clarifying change. As amended, § 251.56 reads as follows:

§ 251.56 **Distilled spirits containers of a capacity of not more than 1 gallon.**

Bottled distilled spirits imported into the United States for sale shall be bottled in liquor bottles which conform to the requirements of Subpart N of this part and 27 CFR Part 5, and shall be stamped in accordance with this part. Empty bottles imported for the packaging of distilled spirits shall conform to the requirements of Subpart N of this part. (For Customs requirements as to marking, see 19 CFR Parts 11 and 12.)

3. Section 251.58 is amended by deleting the reference to Part 175 and by inserting a reference to Part 201; and by making editorial changes. As amended, § 251.58 reads as follows:

§ 251.58 **Containers of 1 gallon or less.**

Labels on imported containers of distilled spirits, and on containers of imported distilled spirits bottled in customs custody, for sale at retail, are required to be covered by a certificate of label approval (Form 1649) issued pursuant to 27 CFR Part 5. Containers of imported distilled spirits bottled after taxpayment and withdrawal from customs custody are required to be covered by a certificate of label approval (Form 1649) or a certificate of exemption from label approval (Form 1650) issued pursuant to 27 CFR Part 5. When distilled spirits are to be labeled under a certificate of exemption from label approval, the labels affixed to containers are required to conform to the provisions of Part 201 of this chapter.

4. Section 251.74 is amended by deleting the reference to Part 175, inserting a reference to Subpart N, making editorial changes, and correcting the citation. As amended, § 251.74 reads as follows:

§ 251.74 Exemption from requirements pertaining to stamps, marks, bottles, and labels.

The provisions of this part relating to the affixing of red strip stamps, the indicia requirements for containers prescribed by Subpart N of this part, and the labeling of containers as prescribed by 27 CFR Part 5 are not applicable to imported distilled spirits (a) not for sale or for any other commercial purpose whatever; (b) on which no internal revenue tax is required to be paid or determined on or before withdrawal from customs custody; (c) for use as ship stores; or (d) for personal use. Samples of distilled spirits, other than those provided for in § 251.49, imported for any purpose are not exempt from the requirements pertaining to stamps, marks, bottles, and labels. Samples of wine and beer brought into the United States pursuant to § 251.49 are exempt from the labeling requirements of 27 CFR Parts 4 and 7, respectively. Exemptions from the requirement that imported distilled spirits, wines, and beer be marked to indicate the country or origin are set forth in customs regulations (19 CFR Part 11).

(72 Stat. 1358, 1374; 26 U.S.C. 5205, 5301)

5. Section 251.121 is amended by deleting the reference to Part 175 and inserting a reference to Subpart N, and by changing the citation. As amended, § 251.121 reads as follows:

§ 251.121 Containers.

Imported distilled spirits may be bottled in either domestic or imported containers conforming to the provisions of Subpart N of this part.

(72 Stat. 1374; 26 U.S.C. 5301)

6. A new Subpart N is added to provide requirements concerning liquor bottles imported into the United States. As added, Subpart N reads as follows:

Subpart N—Requirements for Liquor Bottles

AUTHORITY: The provisions of this Subpart N issued under sec. 7805 of the Internal Revenue Code, 68A Stat. 917; 26 U.S.C. 7805. Interpret or apply sec. 5301 of the Internal Revenue Code, 72 Stat. 1374; 26 U.S.C. 5301.

Subpart N—Requirements for Liquor Bottles

§ 251.201 Scope of subpart.

The provisions of this subpart shall apply only to liquor bottles having a capacity of ½ pint or more except where expressly applied to liquor bottles of less than ½-pint capacity.

§ 251.202 Standards of fill.

Distilled spirits imported into the United States in containers of 1 gallon or less for sale shall be imported only in liquor bottles, including liquor bottles of less than ½-pint capacity, which conform to the applicable standards of fill provided in Subpart H of 27 CFR Part 5. Empty liquor bottles, including liquor bottles of less than ½-pint capacity, which conform to the provisions of Subpart H of 27 CFR Part 5 or § 201.540b of this chapter, may be imported for packaging distilled spirits in the United States as provided in Part 201 of this chapter.

§ 251.203 Indicia for bottles.

Except as provided in § 251.204, only liquor bottles bearing the indicia prescribed by § 173.34 of this chapter may be used for the importation of distilled spirits for sale. Additional information may, as provided in Part 173 of this chapter, be permanently marked on the bottles.

§ 251.204 Distinctive liquor bottles.

On application, Form 4329, the assistant regional commissioner may authorize the importation of distilled spirits in liquor bottles not bearing the indicia required under Part 173 of this chapter, provided such bottles, because of their unique or distinctive shape or design, have been found by the Director not to afford a jeopardy to the revenue and to be suitable for the intended purpose.

§ 251.205 Approval of distinctive liquor bottles.

Application, in letter form, in duplicate, for the approval of any distinctive liquor bottle, accompanied by a specimen bottle or an authentic model or other representation acceptable to the Director and nine photographs thereof, size 5″ x 7″, shall be submitted to the Director. The application shall specify whether the bottles are to be used for packaging liqueurs, cordials, bitters, cocktails, and other specialties, or for packaging other distilled spirits. Approval of the distinctive bottle must be obtained prior to the submission of an application on Form 4329 to the assistant regional commissioner.

§ 251.206 Bottles not constituting approved containers.

The Director is authorized to disapprove any bottle, including a bottle of less than ½-pint capacity, for use as a liquor bottle which he determines to be deceptive. The customs officer at the port of entry shall deny entry of any such bottle containing distilled spirits, whether or not it bears the indicia required under Part 173 of this chapter, upon advice from the Director that such bottle is not an approved container for distilled spirits for consumption in the United States.

§ 251.207 Bottles to be used for display purposes.

Empty liquor bottles may be imported and furnished to liquor dealers for display purposes, provided each bottle is marked to show that it is to be used for such purpose. Any paper strip used to seal the bottle shall be of solid color and without design or printing, except that a border or a design, formed entirely of the legend "not genuine—for display purposes only" is permissible. The importer shall keep records of the receipt and disposition of such bottles, showing the names and addresses of consignees, dates of shipment, and size, quantity, and description of bottles.

§ 251.208 Liquor bottles denied entry.

Filled liquor bottles, not conforming to the provisions of this subpart, shall be denied entry into the United States: *Provided*, That, upon letterhead application, in triplicate, the assistant regional commissioner of the region in which the port of entry is situated may, in nonrecurring cases, authorize the release from customs custody of distilled spirits in bottles, except those coming under the provisions of § 251.206, which, through unintentional error, do not conform to the provisions of this subpart, if he finds that such release will not afford a jeopardy to the revenue.

§ 251.209 Used liquor bottles.

The Director may, pursuant to letterhead application filed in triplicate, authorize an importer to receive liquor bottles assembled for him as provided in § 194.263 of this chapter. Used liquor bottles so received may be stored at any suitable location pending exportation for reuse. The importer shall keep records of the receipt and disposition of used liquor bottles.

[F.R. Doc. 68-5381; Filed, May 3, 1968; 8:47 a.m.]

SUBCHAPTER H—INTERNAL REVENUE PRACTICE

PART 601—STATEMENT OF PROCEDURAL RULES

Miscellaneous Amendments

This part as filed with the Office of the Federal Register on June 29, 1955, was last amended on December 21, 1967 (32 F.R. 20645). The following amendments are made to Part 601:

PARAGRAPH 1. Section 601.105 is amended by revising paragraphs (b) (5) (vi) (*b*), (c) (2) (ii) and (iii), (c) (5), and (d) (2) (i) to read as follows:

§ 601.105 Examination of returns and claims for refund, credit or abatement; determination of correct tax liability.

* * * * *

(b) *Examination of returns.* * * *

(5) *Technical advice from the National Office.* * * *

(vi) *Conference in the National Office.* * * *

(*b*) A taxpayer is entitled, as a matter of right, to only one conference in the