tissues and byproducts of poultry or animals fed the above-named commodities, tolerances are unnecessary regarding meat, milk, eggs, or poultry. The usage is classified in the category specified in § 120.6(a)(3).

2. The tolerances established by this order will protect the public health.

Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2)) and under authority delegated to the Commissioner (21 CFR 2.120), Part 120 is amended as follows:

1. Section 120.3(e)(5) is amended by alphabetically inserting in the list of cholinesterase-inhibiting pesticides two new items, as follows:

§ 120.3 Tolerances for related pesticide chemicals.

* * * * *

(e) * * *

(5) * * *

m-(1-Ethylpropyl)phenyl methylcarbamate.

* * * * *

m-(1-Methylbutyl)phenyl methylcarbamate.

* * * * *

2. A new section is added to Subpart C as follows:

§ 120.255 *m*-(1-Methylbutyl)phenyl methylcarbamate and *m*-(1-ethylpropyl)phenyl methylcarbamate; tolerances for residues.

Tolerances are established for negligible residues of an insecticide that is a mixture consisting of 75 percent *m*-(1-methylbutyl)phenyl methylcarbamate and 25 percent *m*-(1-ethylpropyl)phenyl methylcarbamate in or on the raw agricultural commodities corn grain and corn fodder and forage at 0.05 part per million (such tolerances to cover residues of both components).

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

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

(Sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2))

Dated: January 23, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-1361; Filed, Jan. 31, 1969; 8:48 a.m.]

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

O-Ethyl S-Phenyl Ethylphosphonodithioate

A petition (PP 9F0760) was filed with the Food and Drug Administration by Stauffer Chemical Co., 1200 South 47th Street, Richmond, Calif. 94804, proposing the establishment of a tolerance of 0.1 part per million for negligible residues of the insecticide *O*-ethyl *S*-phenyl ethylphosphonodithioate including its oxygen analog (*O*-ethyl *S*-phenyl ethylphosphonothiolate) in or on the raw agricultural commodity group root crop vegetables.

The Secretary of Agriculture has certified that this pesticide chemical is useful for the purposes for which the tolerance is being established.

Based on consideration given the data submitted in the petition, and other relevant material, the Commissioner of Food and Drugs concludes that:

1. Since the proposed usage is not reasonably expected to result in residues of the pesticide occurring in the edible tissues and byproducts of poultry or animals fed such root crop vegetables, tolerances are unnecessary regarding meat, milk, eggs, or poultry. The usage is classified in the category specified in § 120.6(a)(3).

2. The tolerance established by this order will protect the public health.

Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2)), and under authority delegated to the Commissioner (21 CFR 2.120), § 120.221 is revised to read as follows:

§ 120.221 *O*-Ethyl *S*-phenyl ethylphosphonodithioate; tolerances for residues.

Tolerances are established for negligible residues of the insecticide *O*-ethyl *S*-phenyl ethylphosphonodithioate including its oxygen analog (*O*-ethyl *S*-phenyl ethylphosphonothiolate) in or on the raw agricultural commodities asparagus, fresh corn including sweet corn (kernels plus cob with husk removed), corn grain (includes popcorn), corn forage or fodder (including sweet corn, field corn, and popcorn) peanuts, peanut hay, root crop vegetables, and suger beet tops at 0.1 part per million.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

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

(Sec. 408(d)(2), 68 Stat. 512; 21 U.S.C. 346a(d)(2))

Dated: January 23, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-1362; Filed, Jan. 31, 1969; 8:48 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

ANTIOXIDANTS AND/OR STABILIZERS FOR POLYMERS

The Comissioner of Food and Drugs, having evaluated the data in a petition (FAP 9B2328) filed by Carlisle Chemical Works, Inc., West Street, Reading, Ohio 45215, and other relevant material, concludes that the food additive regulations should be amended to provide for the use of an additional optional substance (identified below) as an antioxidant and/or stabilizer in polymers used in the manufacture of articles for food-contact use. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)) and under authority delegated to the Commissioner (21 CFR 2.120), § 121.2566(b) is amended by alphabetically inserting in the list of substances a new item, as follows:

§ 121.2566 Antioxidants and/or stabilizers for polymers.

* * * * *

(b) * * *

* * *

Dimyristyl thiodipropionate having a melting point of 48°–50° C. as determined by ASTM Method E-324 and a saponification equivalent in the range 280–290 as determined by ASTM Method D-1962.

* * *

Limitations

* * *

Finished food-contact articles containing this additive shall meet the extractives limitations prescribed in § 121.2526(c).

* * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

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

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

Dated: January 23, 1969.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 69-1363; Filed, Jan. 31, 1969; 8:48 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

[T.D. 7002]

MISCELLANEOUS AMENDMENT TO SUBCHAPTER

On December 27, 1968, a notice of proposed rule making to amend 26 CFR Parts 186, 194, 201, 251, and 252 was published in the FEDERAL REGISTER (33 F.R. 19834). 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 and further study of the proposed amendments, the regulations in 26 CFR Parts 186, 194, 201, 251, and 252 as so published, including the correction published in the FEDERAL REGISTER (34 F.R. 260), are hereby adopted, subject to the following changes.

PARAGRAPH 1. The need for amendment of § 186.1 no longer exists. Therefore, the proposed changes set forth in paragraph A1 of the notice are deleted; and § 186.1 will not be amended.

PAR. 2. Paragraph A2 is changed to refer to specific gravity hydrometers instead of Brix saccharometers. As changed, paragraph A2 reads as set forth below. Also as amended and added §§ 186.21, 186.24a, and 186.24b read as set forth below.

PAR. 3. Paragraph A3 is changed by revising paragraph (a) of § 186.31. As revised, paragraph (a) of § 186.31 reads as set forth below.

PAR. 4. Paragraph A4 is changed by revising paragraph (b) of § 186.41. As revised, paragraph (b) of § 186.41 reads as set forth below.

PAR. 5. The need for new §§ 186.68 and 186.69 and for Tables 8 and 9 no longer exists. Therefore, paragraph A6 and proposed Tables 8 and 9 immediately following paragraph A6 are deleted.

PAR. 6. Paragraph C3 is changed by inserting in paragraph (a)(4) of § 201.43 the words ", if any," immediately following the phrase "name of the customs warehouse".

PAR. 7. Paragraph C7 is changed to read as set forth below. Also as amended § 201.246 reads as set forth below.

PAR. 8. Paragraph C9 is changed to redesignate proposed § 201.312c as § 201.312d, to add a new § 201.312c, and to change text in § 201.312 and redesignated § 201.312d. As changed, the introductory language in paragraph C9 and §§ 201.312, 201.312c, and 201.312d read as set forth below. Also as amended and added §§ 201.312, 201.312a, 201.312b, 201.312c, and 201.312d read as set forth below.

PAR. 9. Paragraph D is amended by inserting a new paragraph 1a to read as set forth below. Also as amended § 251.172 reads as set forth below.

PAR. 10. Paragraph D2 is changed by changing item (b) of § 251.173 to read "Customs port of entry and entry numbers,".

PAR. 11. Paragraph E14 is changed by revising § 252.195a with respect to Form 179. As revised § 252.195a reads as set forth below.

Because this Treasury decision implements and effectuates changes made in chapter 51 of the Internal Revenue Code by Public Law 90-630 (82 Stat. 1328) which become effective on February 1, 1969, it is hereby found that it is impracticable and contrary to the public interest to issue this Treasury decision subject to the effective date limitation of 5 U.S.C. 553(d). Accordingly, this Treasury decision shall become effective February 1, 1969.

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

[SEAL] WILLIAM H. SMITH,
Acting Commissioner of Internal Revenue.

LESTER D. JOHNSON,
Commissioner of Customs.

Approved: January 29, 1969.

WILLIAM F. HELLMUTH, Jr.,
Acting Assistant Secretary of the Treasury.

In order to implement the provisions of Public Law 90-630 which amended the Internal Revenue Code by (a) providing for tax relief in the case of distilled spirits withdrawn from bond on payment or determination of tax for rectification or bottling and lost by reason of flood, fire, or other disaster before removal from the premises of the distilled spirits plant to which removed from bond; (b) deleting the requirement that distilled spirits be bottled or packaged especially for export with benefit of drawback and providing that the claim for drawback may be filed only by the bottler or packager of the spirits; and (c) permitting the transfer of imported distilled spirits, regardless of proof, in bulk containers from customs custody to internal revenue bond without payment of the internal revenue tax; the regulations in 26 CFR Parts 186, 194, 201, 251, and 252 are amended as follows:

PART 186—GAUGING MANUAL

PARAGRAPH A. 26 CFR Part 186 is amended as follows:

2. Section 186.21 is amended and new sections, §§ 186.24a and 186.24b, are added immediately following § 186.24, with respect to precision grade specific gravity hydrometers to be furnished by proprietors and maintained in the custody of internal revenue officers. As amended and added, §§ 186.21, 186.24a, and 186.24b read as follows:

§ 186.21 General requirements.

Internal revenue officers shall use only hydrometers and thermometers furnished by the Government: *Provided*, That where this part requires the use of a specific gravity hydrometer, internal revenue officers shall use precision grade specific gravity hydrometers conforming to the provisions of § 186.24a, furnished by the proprietor: *Provided further*, That the Director may authorize internal revenue officers to use (a) other instruments approved by the Director as being equally satisfactory for determination of specific gravity, or (b) as prescribed in § 186.25, other approved gauging instruments of unusual or costly design furnished by the proprietor. From time to time internal revenue officers shall verify the accuracy of hydrometers and thermometers used by proprietors. The proof of distilled spirits and rectified products shall be determined by the use of gauging instruments as prescribed in this part.

(72 Stat. 1358; 26 U.S.C. 5204)

§ 186.24a Specific gravity hydrometers.

The specific gravity hydrometers furnished by proprietors to internal revenue officers shall conform to the specifications of the American Society for Testing Materials or the National Bureau of Standards for such instruments. Such specific gravity hydrometers shall be of a precision grade, standardization temperature 60°/60° F., and provided in the following ranges and subdivisions:

Range	Subdivision
1.0000 to 1.0500	0.0005
1.0500 to 1.1000	0.0005
1.1000 to 1.1500	0.0005
1.1500 to 1.2000	0.0005
1.2000 to 1.2500	0.0005

No instrument shall be in error by more than 0.0005° specific gravity. A certificate of accuracy prepared by the instrument manufacturer for the instrument shall be furnished to the assigned officer.

§ 186.24b Use of precision specific gravity hydrometers.

The provisions of § 186.23 respecting the care, handling, and use of precision instruments shall be followed with respect to the care, handling, and use of precision grade specific gravity hydrometers. Specific gravity hydrometers shall be read to the nearest subdivision. Because of temperature density relationships and the selection of the standardization temperature of 60°/60° F., the specific gravity readings will be greater at temperatures below 60° F. and less at temperatures above 60° F. Hence, correction of the specific gravity reading will be made for temperatures other than 60° F. Such correction may be ascertained by dividing the specific gravity hydrometer reading by the applicable correction factor in Table 7.

Example: The specific gravity hydrometer reading is 1.1525, the thermometer reading is 68° F., and the true proof of the spirits is 115 degrees. The correct specific gravity reading will be ascertained as follows:

(a) From Table 7, the correction factor for 115° proof at 68° F. is 0.996.

(b) 1.1525 ÷ 0.996 = 1.1571, the corrected specific gravity.

(72 Stat. 1358; 26 U.S.C. 5204)

3. Paragraph (a) of § 186.31 is amended to prescribe procedures to be used in determining the proof of spirits gauged for withdrawal from bond. As amended, paragraph (a) of § 186.31 reads as follows:

§ 186.31 Determination of proof.

* * * * *

(a) The proof of spirits in bond shall be determined by the use of a hydrometer and a thermometer in accordance with the provisions of §§ 186.23 and 186.24 except that (1) if such spirits contain solids in excess of 400 milligrams but not in excess of 600 milligrams per 100 milliliters at guage proof, there shall be added to the proof so determined the obscuration determined as prescribed in § 186.32, or (2) if such spirits contain solids in excess of 600 milligrams per 100 milliliters at guage proof, the proof shall be determined on the basis of true proof determined by the distillation or laboratory method prescribed in paragraph (f) (2) or (3), respectively, of this section.

* * * * *

(72 Stat. 1357, 1358, 1362; 26 U.S.C. 5202, 5204, 5211)

4. Sections 186.41 and 186.43, and paragraphs (a) and (d) of § 186.44 are amended to prescribe procedures for quantitative determinations of spirits having high solids content. As amended, §§ 186.41 and 186.43 and paragraphs (a) and (d) of § 186.44 read as follows:

§ 186.41 Bulk spirits.

When spirits (including denatured spirits) are to be gauged by weight in bulk quantities, the weight shall be determined by means of weighing tanks, mounted on accurate scales. Before each use, the scales shall be balanced at zero load; thereupon the spirits shall be run into the weighing tank and proofed as prescribed in § 186.31: *Provided*, That where the spirits are to be reduced in proof as authorized by this chapter, the spirits shall be so reduced before final determination of the proof. The scales shall then be brought to a balanced condition and the weight of the spirits determined by reading the beam to the nearest graduation mark. From the weight and the proof thus ascertained, the quantity of the spirits in proof gallons shall be determined by reference to table No. 4: *Provided*, That in the case of spirits which contain solids in excess of 600 milligrams per 100 milliliters, the quantity in proof gallons shall be determined by first ascertaining the wine gallons per pound of the spirits and multiplying the wine gallons per pound by the weight, in pounds, of the spirits being gauged and by the true proof (determined as prescribed in § 186.31) and dividing the result by 100. The wine gallons per pound of spirits containing solids in excess of 600 milligrams per 100 milliliters shall be ascertained by:

(a) Use of a precision hydrometer and thermometer, in accordance with the provisions of § 186.23, to determine the apparent proof of the spirits (if the specific gravity at the temperature of the spirits is not more than 1.0) and reference to table No. 4 for the wine gallons per pound, or

(b) Use of a specific gravity hydrometer, in accordance with the provisions of § 186.24b, to determine the specific gravity of the spirits (if the specific gravity at the temperature of the spirits is more than 1.0) and dividing that specific gravity (corrected to 60° F.) into the factor 0.120074 (the wine gallons per pound for water at 60° F.).

When it is desired to withdraw a portion of the contents of a weighing tank, the difference between the quantity (ascertained by proofing and weighing) in the tank immediately before the removal of the spirits and the quantity (ascertained by proofing and weighing) in the tank immediately after the removal of the spirits shall be the quantity considered to be withdrawn.

(72 Stat. 1357, 1358; 26 U.S.C. 5202, 5204)

§ 186.43 Packaged spirits.

When the quantity of spirits (including denatured spirits when gauged by weight) in packages, such as barrels, drums, and similar portable containers, is to be determined by gauge of the individual packages, such quantity shall, except as provided in paragraph (b) of this section, be determined by weighing each package on an accurate weighing beam or platform scale having a beam or dial showing weight in pounds and half pounds, where packages having a capacity in excess of 10 wine gallons are to be gauged, or in pounds and ounces, or pounds and hundredths of a pound, where packages designed to hold 10 wine gallons or less are to be gauged. In either case the tare must be determined and subtracted from the gross weight to obtain the net weight. From the proof and weight ascertained, the quantity of the spirits in proof gallons shall be determined by reference to Table 2, 3, or 4: *Provided*, That, where the spirits contain solids in excess of 600 milligrams per 100 milliliters, the proof gallons shall be determined as prescribed for such spirits in § 186.41. Notwithstanding the provisions of this section or of § 186.44, (a) gross weights and tares of packages being filled need not be taken in any case where the gauge of the spirits is not derived from such weights under the gauging procedure being utilized, and (b) meters or other devices or other methods may be used for determining the quantity of spirits in individual packages, where such meter, device, or other method has been approved by the Director under the provisions of Part 201 of this chapter.

(72 Stat. 1357, 1358, 1362; 26 U.S.C. 5202, 5204, 5211)

§ 186.44 Entry or filling gauge for packages.

(a) *General.* The spirits in the tank from which the packages are to be filled shall be thoroughly agitated before taking the proof. The proof determined (as prescribed in § 186.31) after such agitation shall be regarded as the proof of the spirits run into all packages filled from the tank. No package which contains or has on its interior or exterior any substance which will prevent the correct ascertainment of tare shall be used. The tare or weight of empty packages shall be determined immediately prior to filling, except that the tare of a number of packages may be ascertained before any are filled but not exceeding the number which are to be filled on the same or the following day. An average tare (rounded to the nearest half pound, as described in section 186.45 for wooden packages) may be ascertained and used for metal packages of the same kind and capacity produced by the same manufacturer which are to be filled with spirits for industrial use, or with denatured spirits, by weighing not less than 20 percent of any lot of such packages. Not less than two packages shall be weighed to determine the average tare of any lot of five metal packages to be filled. The tares shall be recorded on the gauge report at the time they are ascertained. Whenever there is a change in the specifications as to capacity and weight of cooperage, the proprietor shall give notice to the internal revenue officer. When the packages have been filled, the gross weight of each will be ascertained. The wine gallon (if desired) and proof gallon contents may be determined from the proofs and the net weights of the packages, by the use of Table 2, 3, or 4, whichever is applicable: *Provided*, That, where the spirits contain solids in excess of 600 milligrams per 100 milliliters, the wine gallon and proof gallon contents shall be determined as prescribed for such spirits in § 186.41.

* * * * *

(d) *Packages of other proofs or sizes.* Where packages of proofs or sizes not shown above are to be filled, the following rule may be used for ascertaining the weight of the spirits to be placed in the package: Divide the number of gallons representing the quantity of spirits to be placed in the container by the fractional part of a gallon equivalent to 1 pound, to obtain the weight of the spirits in pounds and fractions of a pound to two decimal places. Reduce the decimal fraction of a pound to ounces by multiplying by 16, calling any fraction of an ounce a whole ounce. The pounds and ounces thus obtained will determine the point to which the spirits must be weighed to produce the results desired. If it is required to mark the weight on the package in pounds and decimal fractions of a pound, it will be necessary to convert the ounces to hundredths of a pound. The fraction of a gallon equivalent to 1 pound at any given proof shall be ascertained by reference to Table No. 4: *Provided*, That, where the spirits contain solids in excess of 600 milligrams per 100 milliliters, the fraction of a gallon equivalent to 1 pound shall be determined as prescribed for such spirits in § 186.41.

Example. It is desired to fill a 1-gallon can with precisely 1 wine gallon of 194 proof spirits:

1.00 divided by 0.14866=6.73 pounds.

0.73 multiplied by 16=11.68 ounces, rounded to 12 ounces.

Weight of spirits—6 pounds, 12 ounces.

Weight, if required, to be marked on can—6.75 pounds.

(72 Stat. 1357, 1358, 1362; 26 U.S.C. 5202, 5204, 5211)

§ 186.45 [Amended]

5. The next to the last sentence of § 186.45 is amended to include a proviso. As amended, the sentence reads "From the proofs and the net weights of the packages, the wine gallon (if desired) and the proof gallon contents shall be determined by the use of table 2: *Provided*, That where the spirits contain solids in excess of 600 milligrams per 100 milliliters, the wine gallon and proof gallon contents shall be determined as prescribed for such spirits in § 186.41."

PART 194—LIQUOR DEALERS

PAR. B. 26 CFR Part 194 is amended as follows:

1. Section 194.281 is amended to modify the conditions under which distilled spirits may be exported subject to drawback. As amended, § 194.281 reads as follows:

§ 194.281 General.

A State, or political subdivision thereof, or a person holding a wholesale liquor dealer's basic permit issued pursuant to 27 CFR Part 1 may export bottled tax-paid distilled spirits with benefit of drawback to the extent provided in 26 CFR 252.171 of this chapter. The overprinting of stamps, restamping of bottles, marking of cases, preparation of notice of shipment on Form 1582, the removal and exportation of such distilled spirits, and the filing of claims by the bottler of the spirits shall be in accordance with the applicable provisions of Part 201 and Part 252 of this chapter.

§ 194.282 [Deleted]

2. Section 194.282 is deleted.

3. Section 194.283 is amended to delete the reference to export storage and the requirement that a separate summary on Form 338 be prepared to cover export storage transactions. As amended, § 194.283 reads as follows:

§ 194.283 Records.

The provisions of Subpart O of this part regarding records and reports relating to liquors for domestic use are hereby extended to export transactions permitted under the provisions of this subpart.

PART 201—DISTILLED SPIRITS PLANTS

PAR. C. 26 CFR Part 201 is amended as follows:

1. Section 201.25 is amended by adding a new paragraph (f) to read as follows:

§ 201.25 Persons liable for tax.

* * * * *

(f) *Withdrawal from customs custody without payment of tax.* Section 5232(a), I.R.C., provides that when imported distilled spirits in bulk containers are withdrawn from customs custody and transferred to the bonded premises of a distilled spirits plant without payment of the internal revenue tax imposed on imported distilled spirits by section 5001, I.R.C., the person operating the bonded premises of the distilled spirits plant to which such spirits are transferred shall become liable for the tax on the spirits upon their release from customs custody, and the importer shall thereupon be relieved of his liability for such tax.

(72 Stat. 1318, 82 Stat. 1328; 26 U.S.C. 5005, 5232)

2. A new section, § 201.26a, is added to provide special rules for determining date of original entry for certain spirits. As added, § 201.26a reads as follows:

§ 201.26a Special rules for date of original entry.

For purposes of this part, the "date of original entry" of spirits of 190 degrees or more of proof which are reduced in bond to a proof below 190 degrees (either by reduction with water or by mingling with other spirits of less than 190 degrees of proof) shall be the date of such reduction, and the "date of original entry" for imported spirits of less than 190 degrees of proof (transferred to bonded premises pursuant to section 5232, I.R.C., or similar provisions of prior law) shall be the date of the Form 236 pursuant to which such spirits are released from customs custody for transfer to and deposit in storage in internal revenue bond.

3. Paragraph (a)(4) of § 201.43 is amended to add a parenthetical statement pertaining to imported spirits. As amended, paragraph (a)(4) of § 201.43 reads as follows:

§ 201.43 Claims in respect of spirits lost or destroyed in bond.

(a) *Claims for remission.* * * *

(4) Name, number, and address of the plant from which withdrawn without payment of tax or removed for transfer in bond (if claim involves spirits so withdrawn or removed) and date and purpose of such withdrawal or removal, except that in the case of imported spirits lost or destroyed while being transferred from customs custody to internal revenue bond as provided in § 201.312, the name of the customs warehouse, if any, and port of entry will be given instead of the plant name, number, and address;

* * * * *

(72 Stat. 1323; 26 U.S.C. 5008)

4. Paragraph (c) of § 201.45 is amended to extend loss allowance provisions to cover distilled spirits lost by flood, fire, or other disaster after bottling or casing or other packaging but before removal from the premises of the distilled spirits plant to which removed from bond. As amended, paragraph (c) of § 201.45 reads as follows:

§ 201.45 Claims relating to spirits lost or destroyed after tax determination.

* * * * *

(c) *Claims relating to losses of spirits withdrawn for rectification or bottling, by reason of accident, flood, fire, or other disaster.* Claims for abatement, credit, or refund of tax under this part, relating to spirits withdrawn for rectification or bottling and lost due to accident, flood, fire, or other disaster, shall be filed with the assistant regional commissioner by the proprietor who withdrew the spirits. The claim shall contain the information required under § 201.43(a) (1), (2), (3), (5), and (6) and, in addition, shall state (1) the date of determination of the tax (if claim is for refund or credit); (2) the date of assessment of the tax (if claim is for abatement); (3) whether or not the claimant is indemnified or recompensed for the tax, and if so, the extent and nature of such indemnification or recompense; (4) whether the claim covers tax on spirits withdrawn from bond by the claimant on payment or determination of tax for removal to bottling premises for rectification or bottling; and (5) whether the spirits covered by the claim were lost due to accident while being removed from bond to bottling premises, or due to flood, fire, or other disaster before removal from the premises of his distilled spirits plant. Supporting statements as provided in § 201.484 shall be submitted with such claims.

* * * * *

(72 Stat. 1323, as amended; 26 U.S.C. 5008)

5. Section 201.92 is amended to revise the first sentence. As amended, § 201.92 reads as follows:

§ 201.92 Quantity determination of spirits in bond.

Where spirits in bond are gauged for determination of tax, or are gauged in packages, the quantity shall be determined by weight and proof pursuant to the provisions of Part 186 of this chapter. In all other instances where spirits are gauged in bond, or are gauged for transfer in bond or for withdrawal from bond free of tax or without payment of tax, unless a determination by weight (or by another method approved by the assistant regional commissioner) is required by this part, the quantity may be determined by volume.

(72 Stat. 1396; 26 U.S.C. 5559)

§ 201.175a [Amended]

6. The last sentence of paragraph (a) of § 201.175a is amended to read "No application on Form 2610 filed under this section shall be approved if, at the time the change is to be effected, any spirits would be on the portion of the premises to be excluded or included: *Provided*, That, on release by customs, (i) tax-determined spirits may remain on premises to be reincluded in bottling premises, and (ii) spirits being transferred to bonded premises under section 5232, I.R.C., may remain on premises to be reincluded in bonded premises."

7. Section 201.246 is amended to include the use of Brix saccharometers for measuring the amount of solids in spirits. As amended, § 201.246 reads as follows:

§ 201.246 Measuring devices and proofing instruments.

The proprietor shall provide the necessary measuring tanks, weighing tanks, scales, and meters or other measuring devices which have been approved by the Director, for weighing or measuring materials, spirits (including denatured spirits), and denaturants. Where scales or weighing tanks are provided, the proprietor must furnish the internal revenue officer with a set of ten 50-pound cast-iron weights, certified by (a) the National Bureau of Standards, (b) a State department of weights and measures, or (c) a responsible scale company as conforming to class "C" requirements of the National Bureau of Standards. Where spirits which have a high solids content (a specific gravity of more than 1.0 at the temperature of the spirits) are to be gauged, the proprietor shall provide the internal revenue officer with such precision grade specific gravity hydrometers, prescribed in Part 186 of this chapter, as may be necessary to gauge such spirits. Where test weights or specific gravity hydrometers are furnished they shall be under the custody of the assigned officer when not in use. The proprietor shall provide, for his own use, accurate hydrometers, thermometers, and other necessary equipment for determining proof or volume.

(72 Stat. 1358; 26 U.S.C. 5204)

8. Section 201.294 is amended to revise the last sentence. As amended, § 201.294 reads as follows:

§ 201.294 Filling of packages from tanks.

Spirits (including denatured spirits) may be drawn into packages from tanks in the storage facilities on bonded premises. The spirits in the tank shall be gauged prior to the filling of packages, and when only a portion of the contents of the tank is packaged, the spirits remaining in the tank on completion of packaging shall again be gauged. The provisions of § 201.269 regarding the taking of production gauge of packages and preparation of gauge reports shall be applicable to the gauging of packages of spirits filled under this section. Except in the case of spirits of 190 degrees or more of proof, the gauge report shall be noted to show the date of original entry for deposit and, for domestic spirits only, the proof of distillation.

(72 Stat. 1356, 1357; 26 U.S.C. 5201, 5202)

9. Section 201.312 is amended and new sections, §§ 201.312a, 201.312b, 201.312c, and 201.312d are added, immediately following § 201.312, with respect to imported spirits. As amended and added, §§ 201.312, 201.312a, 201.312b, 201.312c, and 201.312d read as follows:

§ 201.312 Importation of spirits.

The proprietor may withdraw from customs custody, without payment of the internal revenue tax imposed on imported spirits by section 5001, I.R.C., imported spirits in bulk containers and transfer such spirits to his bonded premises in such bulk containers or by pipeline. A proprietor intending to receive imported spirits from customs custody shall obtain an approved application, Form 2609, in the manner provided in § 251.172 of this chapter: *Provided*, That an application on Form 2609, to receive imported spirits of less than 185 degrees of proof, shall not be approved unless the proprietor has filed a consent of surety on Form 1533 to extend the terms of his existing bond, Form 2601, if such bond was in effect before February 1, 1969. The consent shall contain a statement of purpose as follows:

> To continue in effect said bond (including all extensions or limitations of terms and conditions previously consented to and approved), notwithstanding that the principal may from time to time withdraw imported spirits of less than 185 degrees of proof from customs custody under the provisions of 26 U.S.C. 5232.

Imported spirits transferred to bonded premises, as provided in this section, (a) may not be bottled in bond under section 5233, I.R.C., (b) may be redistilled or denatured only if of 185 degrees or more of proof, and (c) may be withdrawn for any purpose authorized by chapter 51, I.R.C., in the same manner as domestic spirits. Imported spirits shall be kept separate at the bonded premises and shall not be mixed with domestic spirits or with other imported spirits, except as follows: Imported spirits (1) may, if of 185 degrees or more of proof, be mingled with domestic spirits or with other such imported spirits if the mingled spirits are to be immediately denatured, (2) may, if eligible under § 201.296, be mingled with other imported spirts similarly eligible which have been duty paid at the same rate, (3) may, if imported as beverage spirits, be mingled with heterogeneous spirits if the mingled spirits are for immediate removal to bottling premises exclusively for use in taxable rectification, and (4) may, if eligible under § 201.297, be mingled with other distilled spirits similarly eligible: *Provided*, That if the spirits to be so mingled have been treated, compounded, or blended prior to importation, the proprietor must establish to the satisfaction of the assistant regional commissioner that the spirits to be mingled were treated, compounded, or blended at the same foreign plant by the same person, are of the same formulation, and are in fact homogeneous: *Provided further*, That the preceding proviso shall not be applicable to the mingling of spirits of the same kind, imported under the same customs entry, and treated, compounded, blended, or produced at the same foreign plant by the same person. Imported spirits shall not be filled into packages, or subjected to treatment, which would modify the taste, aroma, or other characteristics generally attributed to that class and type of spirits. The provisions of this section with respect to the separation from other spirits and of §§ 201.312a and 201.312b are applicable to imported spirits received on bonded premises under this section, whether or not redistilled. Imported spirits to be redistilled shall be appropriately identified on Form 2626.

(72 Stat. 1367, 82 Stat. 1328; 26 U.S.C. 5234, 5232)

§ 201.312a Transfers and withdrawals of imported spirits.

Imported spirits transferred to internal revenue bond under section 5232, I.R.C., may, under the provisions of Subpart L of this part, be transferred in bond or withdrawn from bond for any purpose authorized by chapter 51, I.R.C., in the same manner as domestic distilled spirits. If imported spirits are transferred in bond, Form 236 shall show the rates of duty specified by the customs officer at the time of release from customs custody. All transfer and withdrawal forms (for example, Forms 179, 236, 2630) shall be marked with the designation "IMPORTED."

§ 201.312b Markings for containers of imported spirits.

Each tank, bulk conveyance, or similar container in which imported spirits are transferred from customs custody to bonded premises, stored in bond, transferred in bond, or withdrawn from bond on tax determination shall be marked with the word "IMPORTED." Each package of imported spirits shall, when received on bonded premises under the provisions of § 201.312, or when filled on bonded premises, be marked with:

(a) The name of the importer;

(b) The country of origin;

(c) The kind of spirits;

(d) The package serial number;

(e) The date of original entry of the spirits;

(f) The date filled, if filled on bonded premises;

(g) The proof; and

(h) The wine gallons of spirits in the package.

Packages of imported spirits received from customs custody shall be assigned a serial number (in the manner provided in § 201.514 but in a separate series), preceded by the symbol "IMP" and identification of the plant, for example, "IMP-12-IND-1". Packages of imported spirits filled from storage tanks shall be numbered as provided in § 201.514 and the serial number (and distinguishing prefix) shall be preceded by the symbol "IMP." The proprietor who files Form 2609 to receive packages of imported spirits under the provisions of § 201.312 shall be responsible for having the required marks placed on such packages. Serial numbers assigned under the provisions of this section to packages of spirits received from customs custody shall be recorded on the deposit Forms 236 and 2630 by the proprietor who filed the Form 2609 to receive the spirits.

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

§ 201.312c Exceptions to specifications for package marking requirements.

The package marks prescribed by § 201.312b shall be placed on each package of imported spirits received from customs custody in the manner required by § 201.515, except in the circumstances, and under the conditions, set out in paragraph (a) or (b) of this section.

(a) *Temporary marks*. Pursuant to written application, in triplicate, the assistant regional commissioner may authorize the proprietor to place the prescribed marks on each such package by temporary means, such as by use of a suitable card securely affixed to the head of the package by tacks, staples, or adhesives where, within 30 calendar days after receipt from customs custody, the temporarily marked packages will be dumped into a tank for storage or for tax determination, or will be withdrawn from bond in such packages on determination of tax for removal to, and dumping at, bottling premises on or contiguous to the distilled spirits plant at which received from customs custody. Packages not dumped or removed as provided in this paragraph within the time prescribed must be promptly marked in the manner required by § 201.515.

(b) *Waiver of marking*. Pursuant to written application, in triplicate, the assistant regional commissioner may waive the placing of prescribed marks on such packages where the packages will, no later than the close of the workday next succeeding the date of receipt, be dumped into a tank for storage or for tax determination, or will be withdrawn from bond in such packages on determination of tax for removal to, and be dumped at, bottling premises on or contiguous to the distilled spirits plant at which received from customs custody. Packages not dumped or removed as provided in this paragraph within the time prescribed must be promptly marked in the manner required by § 201.515 unless the assistant regional commissioner authorizes the use of temporary marks under the provisions of paragraph (a) of this section.

The provisions of this section shall not be construed to waive, or authorize the waiver of, the requirements of this part for the assigning of serial numbers or for the recording of such serial numbers and related information on transaction forms, records, or reports.

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

§ 201.312d Solids content of spirits.

In the case of imported spirits (except alcohol, gin, vodka, and similar spirits containing no added solids) transferred to bonded premises pursuant to section 5232, I.R.C., or similar provisions of prior law, the proprietor shall, before completion of the gauge for tax determination, furnish the assigned officer a statement, executed under the penalties of perjury, as to the solids content of such spirits. If the solids content of the spirits is not more than 400 milligrams, or is in excess of 600 milligrams, per 100 milliliters, the solids content may be stated as: "Solids content not in excess of 400 milligrams per 100 milliliters" or "Solids content in excess of 600 milligrams per 100 milliliters" as the case may be. If the spirits contain solids in excess of 400 milligrams but not in excess of 600 milligrams per 100 milliliters, the actual solids content of the spirits, expressed in milligrams per 100 milliliters, shall be stated. The solids content of the spirits in each package need not be determined if the solids content of individual samples from 10 percent, but not less than two, of the packages, in a particular lot of the same kind of spirits, in the same kind of packages, and produced or blended by the same person, do not vary by more than 50 milligrams. Selection of the packages to be sampled shall be by the assigned officer. At the time of tax determination, the proprietor, under the direct supervision of an assigned officer, shall determine the true proof for all imported spirits having a solids content in excess of 600 milligrams per 100 milliliters. Determinations of the solids content and true proof of imported spirits made by the proprietor may be tested through analysis at a Government laboratory of samples taken by the assigned officer.

(72 Stat. 1357, 1358; 26 U.S.C. 5202, 5204)

10. Section 201.351 is amended to rearrange the text and to delete the requirement that spirits which are to be exported with benefit of drawback and which were not originally bottled for exportation shall be rebottled unless such spirits have not been removed from the premises where bottled. As amended, § 201.351 reads as follows:

§ 201.351 Domestic spirits for exportation.

Pursuant to the provisions of this subpart spirits bottled in bond for domestic use may be rebottled, relabeled, or restamped for exportation (as the case may be) in compliance with the requirements for spirits bottled in bond for exportation. Such spirits, if rebottled, may be reduced to not less than 80 degrees of proof as provided in § 201.326. Spirits rebottled, relabeled, or restamped under the provisions of this section may, as provided in Subpart L of this part, be withdrawn (a) without payment of tax for exportation, or (b) taxpaid (unless previously taxpaid) and withdrawn for exportation with benefit of drawback.

(72 Stat. 1362, 1366; 26 U.S.C. 5214, 5233)

11. Paragraph (a)(1) of § 201.368 is amended to provide that Forms 1620 and 2630 shall show the name of the importer, if applicable. As amended, paragraph (a)(1) of § 201.368 reads as follows:

§ 201.368 Consignor premises.

(a) *General*. (1) Form 236 shall be prepared by the consignor proprietor to cover the transfer of spirits or denatured spirits in bond, pursuant to an approved application on Form 2609. In the case of denatured spirits, Form 236 shall be prepared as a notice of shipment. In the case of spirits, Form 236 shall be prepared as an application to the assigned officer for approval of the release. When spirits in packages are to be transferred, the consignor shall also prepare Form 2630, and when spirits in cases or in encased containers are to be transferred, he shall prepare Form 1620. Except as otherwise provided herein, a Form 236 (with Form 2630, or 1620, as applicable) shall be prepared for each conveyance. Each Form 1620 and Form 2630 shall show the real name (or the basic operating name as provided in § 201.235) of the producer (or the name of the importer in the case of imported spirits or the name of the packaging or bottling proprietor in the case of spirits of 190 degrees of proof or more) and, if the spirits were produced under a trade name, shall also show the trade name under which produced. A separate Form 1620 or Form 2630 shall be prepared for each name under which spirits were produced. Spirits shall not be removed from the bonded premises until Form 236, with Form 2630 or 1620, as applicable (or, as authorized in subparagraph (2) of this paragraph, an authorized shipment and delivery order), has been submitted to the assigned officer and his approval received for the release of the spirits. In the case of pipeline transfers of spirits, the assigned officer shall not unlock the pipeline until he has approved the Form 236. On completion of lading (or completion of transfer by pipeline), the proprietor shall execute his certificate of removal on all copies of Form 236, and dispose of the forms in accordance with the instructions on Form 236.

* * * * *

(72 Stat. 1362; 26 U.S.C. 5212)

12. Section 201.373 is amended to provide that the date of original deposit of imported spirits shall be shown on Form 2630. As amended, § 201.373 reads as follows:

§ 201.373 **Packages.**

When spirits in packages are to be withdrawn from bonded premises on determination of tax on the basis of individual package gauge, each package shall be gauged unless the tax is to be determined on the original gauge. When the packages are to be withdrawn on the original gauge the proprietor shall prepare Form 2630 and deliver the form to the assigned officer with Form 179. If spirits in wooden packages are to be gauged for tax determination, the proprietor shall complete only the heading of Form 2630 and insert the serial number and entry tare (if such tare has been taken) of each package before delivery of the form, and Form 179, to the assigned officer for gauge of the packages by such officer. The proprietor shall gauge (under the direct supervision of an assigned officer), and report on Form 2630, metal packages to be tax determined on other than the original gauge and deliver such form, and Form 179, to the assigned officer. Spirits in wooden packages filled from storage tanks for tax determination shall be gauged and reported on Form 2630 by an assigned officer on receipt of Form 179; metal packages so filled shall be gauged (under the direct supervision of an assigned officer) and reported on Form 2630 by the proprietor, and the proprietor shall deliver Form 2630 to such officer with Form 179. In the case of spirits of less than 190 degrees of proof, the date of original entry, and, for domestic spirits only, the proof of distillation, shall be shown on Form 2630. In the case of spirits mingled pursuant to section 5234(a)(1)(C), I.R.C. (homogeneous spirits), the dates of original entry of the oldest and the youngest spirits in the mingled spirits shall be shown. On completion of gauge (if any) and computation of tax, the assigned officer will return Form 179 and Form 2630 to the proprietor.

(72 Stat. 1358, 1362; 26 U.S.C. 5204, 5213)

13. Section 201.376 is amended to revise the first sentence. As amended, § 201.376 reads as follows:

§ 201.376 **Imported spirits.**

When spirits imported for nonbeverage purposes (transferred to bonded premises pursuant to section 5232, I.R.C., or similar provisions of prior law) are withdrawn for beverage purposes, there shall be paid, in addition to the internal revenue tax imposed by section 5001, I.R.C., a tax equal to the duty which would have been paid had the spirits been imported for beverage purposes, less the duty already paid thereon. The additional tax shall be referred to as "additional tax—less duty", and shall be paid at the time and in the manner that the basic internal revenue tax is paid. The total quantity in proof gallons (or wine gallons if below proof) withdrawn shall be the basis of computing the tax at the rates indicated. The amount of the "additional tax—less duty" shall be stated separately and identified as such on Form 179.

(72 Stat. 1314; 26 U.S.C. 5001)

14. Paragraphs (c) and (d) of § 201.432 are amended to delete the requirement that where spirits are bottled or packaged especially for export with benefit of drawback, an additional copy of each related Form 122 shall be prepared and forwarded to the assistant regional commissioner, and to make a technical change. As amended, paragraphs (c) and (d) of § 201.432 read as follows:

§ 201.432 **Record of use.**

* * * * *

(c) *Disposition of Form 122.* After the proprietor has indicated on Form 122 his intentions to dump spirits or wines or to prepare a batch of rectified spirits, as the case may be, he may proceed with the operation covered by the form; he shall keep the required entries on Form 122 current with the operations covered by such form. When the proprietor has completed all entries required on the form he shall submit one copy to the assigned officer and retain the remaining copy for his files.

(d) *Substitute record.* The proprietor, subject to the approval of the assistant regional commissioner, may use another form of record in lieu of Form 122 to record batches of rectified spirits. In such case, Form 122 shall be used to record dumping of all spirits whether or not the spirits are to be used immediately in preparing a batch of a rectified product. Application to use substitute records shall be filed in the manner as provided in § 201.628(c).

(72 Stat. 1370; 26 U.S.C. 5251)

15. Section 201.455 is amended to delete the requirement that all copies of Forms 2637 covering spirits bottled or packaged especially for export with benefit of drawback be so marked, and that one additional copy of the form be prepared. As amended, § 201.455 reads as follows:

§ 201.455 **Bottling tank gauge.**

In the case of spirits or wines to be bottled or packaged without rectification the proprietor shall, on completion of any filtering, reduction, or other treatment, and prior to commencement of bottling or packaging, make an actual gauge of the product. Rectified products to be bottled or packaged on bottling premises shall be gauged as provided in § 201.-448. Any gauge made under this section shall be made at bottling proof in the tank from which the product is to be bottled or packaged, and the details of the gauge shall be entered on Form 2637. One copy of Form 2637 shall thereupon be attached to the bottling tank.

(72 Stat. 1356; 26 U.S.C. 5201)

16. Section 201.460 is amended to remove the requirement that the assistant regional commissioner be furnished the additional copy of Form 2637 covering spirits bottled or packaged especially for export with benefit of drawback. As amended, § 201.460 reads as follows:

§ 201.460 **Completion of bottling.**

When the contents of a bottling tank are not completely bottled at the close of the day, the bottler shall make entries on Form 2637 (not later than the morning of the following business day), covering the total quantity bottled that day from the tank. He may elect to make such daily entries only on the original of the form but shall complete the bottling tank copy when the tank has been emptied. When the tank has been emptied, he shall complete the Form 2637 and shall deliver the original to the assigned officer, by placing it on his desk, and file the copy.

(72 Stat. 1356; 26 U.S.C. 5201)

§ 201.468 **[Deleted]**

17. Section 201.468 is deleted.

18. Section 201.469 is amended to delete the requirement that spirits bottled for domestic use may be exported without rebottling only if the spirits have not left the premises of the original bottler, and the requirement that, at the time of exportation, certified copies of the batch record and bottling record be furnished the assistant regional commissioner, and to make an editorial change. As amended, § 201.469 reads as follows:

§ 201.469 **Spirits not originally intended for export.**

Taxpaid spirits, manufactured or produced in the United States, originally intended for domestic use may be exported with benefit of drawback if:

(a) The red strip stamp affixed to each bottle is legibly overprinted with the word "Export" by means of a rubber stamp or other suitable method; and

(b) Each case is marked as required by Part 252 of this chapter.

The proprietor may relabel the spirits to show any of the information provided for in § 201.467. Where the proprietor desires to file claim for drawback on spirits prepared for export under this section, the provisions of § 252.195a of this chapter shall be followed.

(72 Stat. 1336, as amended, 1358; 26 U.S.C. 5062, 5205)

19. Section 201.482 is amended to extend loss allowance provisions to cover distilled spirits lost by flood, fire, or other disaster after bottling or casing or other packaging but before removal from the premises of the distilled spirits plant to which removed from bond. As amended, § 201.482 reads as follows:

§ 201.482 **Allowable losses.**

Where spirits withdrawn from internal revenue or customs bond on payment or determination of tax for rectification or bottling are lost, the tax imposed on such spirits under section 5001(a)(1), I.R.C., may be abated, remitted, or, without interest, refunded or credited to the proprietor who so withdrew the spirits for removal to his bottling premises, if it is established to the satisfaction of the assistant regional commissioner that:

(a) Such loss occurred (1) by reason of accident while being removed from bond to bottling premises, or (2) by reason of flood, fire, or other disaster before removal from the premises of the distilled spirits plant to which removed from bond, or

(b) Such loss occurred before the completion of the bottling and casing or other packaging of the spirits for removal from the bottling premises to which removed from bond by reason of, and was incident to, authorized rectifying, packaging, bottling, or casing operations (including losses by leakage or evaporation occurring during removal from bond to the bottling premises and during storage on bottling premises pending rectification or bottling).

Abatement, remission, credit, or refund of tax shall not be made in respect of the losses described in this section to the extent that the claimant is indemnified or recompensed for the tax, and in the case of the losses described under paragraph (b) of this section, abatement, remission, credit, or refund shall not be made in excess of the limitations set forth in this subpart. No allowance is made in section 5008(c), I.R.C., in respect to loss of spirits by theft. Spirits lost by theft in transit to, or while on, bottling premises shall be reflected as losses by theft in the records and reports prepared by the proprietor but shall be excluded from the quantities for which claims are filed pursuant to section 5008(c), I.R.C. Spirits used up in bona fide analysis and testing on bottling premises shall be considered as lost by reason of, and incident to, authorized operations within the meaning of this section. Spirits removed as samples from the bottling premises before completion of bottling and casing or other packaging of such spirits for removal from the bottling premises shall be reflected as proprietor samples or Government samples in the records and reports prepared by the proprietor, and shall be excluded from the quantities for which claims are filed pursuant to section 5008(c), I.R.C.

(72 Stat. 1323, as amended; 26 U.S.C. 5008)

20. Paragraphs (a) and (b) of § 201.541 are amended to provide that where bottled-in-bond spirits, originally intended for domestic use, are to be exported with benefit of drawback, the green strip stamp shall be overprinted with the word "Export", and to delete the reference to spirits bottled especially for export with benefit of drawback. As amended, paragraphs (a) and (b) of § 201.541 read as follows:

§ 201.541 **General.**

(a) *Spirits bottled in bond.* Every bottle of spirits bottled in bond pursuant to the provisions of section 5233, I.R.C., and Subpart K of this part shall, when filled, be stamped by the proprietor with a prescribed bottled-in-bond strip stamp evidencing the bottling of such spirits in bond. The prescribed stamp is serially numbered (except stamps of less than ½-pint denomination), and shows (1) that the spirits were bottled in bond under supervision of the U.S. Government, (2) the quantity of spirits in the container, and (3), except for export stamps, the proof of the spirits. Green strip stamps are prescribed for spirits bottled in bond for domestic use, and blue for export. Blue export strip stamps, applied to bottles of spirits bottled in bond for export with benefit of drawback, shall be overprinted with the word "DRAWBACK." Where bottled-in-bond spirits, originally intended for domestic use, are to be exported with benefit of drawback, the word "EXPORT" shall be overprinted on the green strip stamp.

(b) *Spirits bottled on bottling premises.* Every bottle or other immediate container of less than five wine gallons of taxpaid spirits filled on bottling premises for removal therefrom shall, when filled, be stamped by the proprietor with a prescribed red strip stamp, evidencing the determination of tax or indicating compliance with the provisions of chapter 51, I.R.C., and this part. The prescribed stamps shall be issued in a standard size, serially numbered, for bottles or containers of ½-pint capacity or more and in a small size for bottles or containers of less than ½-pint capacity. Where spirits are to be exported with benefit of drawback, the word "EXPORT" shall be overprinted on the red strip stamp.

* * * * *

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

21. Paragraph (d) of § 201.581 is amended by inserting the word "eligible" immediately following the word "If". As amended, paragraph (d) of § 201.581 reads as follows:

§ 201.581 **Return of taxpaid spirits to bonded premises.**

* * * * *

(d) If eligible to be redistilled at the same or at another plant, mingled with other spirits for immediate redistillation.

* * * * *

(72 Stat. 1364, as amended; 26 U.S.C. 5215)

22. Paragraph (b) of § 201.607 is amended to provide that labels for samples of imported spirits show the word "IMPORTED". As amended, paragraph (b) of § 201.607 reads as follows:

§ 201.607 **Label.**

* * * * *

(b) The kind of spirits (and for imported spirits, the word "IMPORTED");

* * * * *

(72 Stat. 1362, 1382; 26 U.S.C. 5214, 5373)

23. The text following paragraph (1) of § 201.623 is amended to revise the first two sentences. As amended, the text in § 201.623 following paragraph (1) reads as follows:

§ 201.623 **Daily bottling premises records.**

* * * * *

(1) * * *

The records required by paragraph (a) of this section shall also show the name and plant number of the producer or rectifier (bonded warehouseman in the case of blended beverage rums or brandies or spirits of 190 degrees or more of proof received from storage facilities) for domestic spirits, the name of the importer and the country of origin for imported spirits, and the name and address of the producer of wines and alcoholic flavoring materials. In addition to the above requirements separate records shall be maintained for spirits entered into the closed system (under the provisions of § 201.487) for the production of gin or vodka and the spirits removed therefrom; alcoholic flavoring materials which, under § 201.424, must be procured direct from the manufacturer and covered by an affidavit from him, shall be distinguished in the records from other alcoholic flavoring materials; and spirits stamped and marked, or restamped and marked (if in cases) or marked (if in packages) for exportation with benefit of drawback, shall be appropriately identified in the records. Where proprietors' copies of prescribed transaction forms reflect details of the transactions required by this section, such copies may constitute the records of such details required under this section.

(72 Stat. 1361; 26 U.S.C. 5207)

24. Paragraph (a) of § 201.628 and § 201.629 are amended to provide record requirements for imported spirits. As amended, paragraph (a) of § 201.628 and § 201.629 read as follows:

§ 201.628 **Record of spirits in storage.**

(a) *Records covering deposits.* The proprietor's copies of forms (for example, Forms 236, 1620, 2323, 2630) covering (1) deposit in bonded storage of spirits received from production facilities, from other bonded premises, from customs custody, or by return to bond under Subpart S of this part, (2) packages filled from tanks and retained in bonded storage, (3) cases of spirits returned to the storage portion of the warehouse after bottling, (4) spirits retained in tanks after mingling or blending, and (5) spirits of less than 190 degrees of proof transferred from one tank to another, shall be filed by the proprietor as permanent records. Before filing such forms, he shall enter the date of deposit of the spirits in the warehouse at the bottom of each form. Separate files shall be maintained for spirits in packages and in cases, and such files shall be arranged by producers (by warehousemen in the case of blended rums or brandies, and spirits of 190 degrees or more of proof, and by the warehouseman who received the spirits from customs custody in the case of imported spirits), in chronological order according to the date of deposit in the warehouse, and, where possible, in sequence by serial numbers of packages or cases. In addition, separate files shall be maintained for spirits which have been mingled under § 201.301 and for spirits which have not been so mingled. (For the purposes of records under this section spirits produced under trade names shall be treated as being produced under the real name of the producer.) Also, files, arranged by producers, in the case of domestic spirits, and by bonded warehouse proprietors who received the spirits from customs custody, in the case of imported spirits, shall be maintained for spirits of less than 190 degrees of proof in storage tanks, with a separate file for each tank of spirits. Where two or more lots of spirits of less than 190 degrees of proof are deposited in the same storage tank, the forms covering deposits in each tank shall be arranged chronologically according to the date of original entry for deposit in bonded storage of each lot of spirits. In the case of spirits of 190 degrees or more of proof deposited in storage tanks, the proprietor shall maintain a consolidated file of deposit forms for all tanks of all such domestic spirits and a separate consolidated file of deposit forms for all tanks of all such imported spirits.

* * * * *

(72 Stat. 1361; 26 U.S.C. 5207)

§ 201.629 **Summary of deposits and withdrawals, Form 1621.**

Each bonded warehouse proprietor shall keep current summary accounts on Form 1621 of all spirits entered into, withdrawn from, and remaining in his warehouse. The record of spirits of less than 190 degrees of proof shall be arranged alphabetically by States and (a) numerically by producers according to plant number within each State (spirits produced under trade names, for the purpose of this record, shall be treated as being produced under the real name of the producer), (b) in the case of blended rums or brandies numerically by bonded warehouse proprietors according to plant number within each State, or (c) in the case of imported spirits, numerically by plant number of the bonded warehouse proprietor who received the spirits from customs custody. Separate sheets shall be used for each kind of spirits of less than 190 degrees of proof, for each season's production in the case of domestic spirits, for each season's deposits in internal revenue bond in the case of imported spirits, for each kind of container, and for spirits mingled under § 201.301 and spirits not so mingled. Separate warehouse summary accounts for domestic spirits and for imported spirits shall be maintained showing separately for packages, cases, and storage tanks (including tank cars and tank trucks) the total deposits and withdrawals by kinds of spirits and the total deposits and withdrawals of all kinds of spirits; each account covering packages or cases shall show the number of packages or cases, and the total tax gallons therein, and each account covering a tank shall show the total tax gallons. A separate account shall be maintained for each storage tank containing spirits of less than 190 degrees of proof, showing all deposits in, and withdrawals from, the tank. Losses determined at the time a tank is emptied or at the time of the month-end inventory required by § 201.311, shall be entered on the form. In the case of spirits of 190 degrees or more of proof the proprietor shall keep separate summaries on Form 1621 for such spirits in packages, in cases, and in tanks (including tank cars and tank trucks) showing the number of packages and of cases and the tax gallons therein, and the total tax gallons in tanks; separate summaries shall be kept for domestic spirits and for imported spirits.

(72 Stat. 1361; 26 U.S.C. 5207)

25. Paragraph (a) of § 201.634 is amended to provide that domestic and imported spirits be reported separately on Form 332. As amended, paragraph (a) of § 201.634 reads as follows:

§ 201.634 **Semiannual reports.**

(a) *Form 332.* As of the close of business June 30, and December 31, of each year, each proprietor of a bonded warehouse shall prepare, on Form 332, in duplicate, a statement by kind, season, and year of production, of spirits in his bonded warehouse. A separate Form 332 shall be prepared for spirits which have been mingled under § 201.301 and for spirits which have not been so mingled. Spirits of 190 degrees or more of proof (on which a record of age is not kept) shall be reported as a single item on Form 332; however, the quantity of such domestic spirits and of such imported spirits shall be reported separately. Imported spirits of less than 190 degrees of proof shall be reported on a separate line, appropriately identified as "Imported," giving the total quantity of each kind of such imported spirits in the appropriate column on Form 332. The original of Form 332 shall be submitted to the assigned officer, and the copy shall be retained by the proprietor.

* * * * *

(72 Stat. 1361, 1395; 26 U.S.C. 5207, 5555)

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

PAR. D. 26 CFR Part 251 is amended as follows:

1. Section 251.171 is amended to reflect statutory provisions relating to transfer of imported spirits from customs custody to internal revenue bonded premises. As amended, § 251.171 reads as follows:

§ 251.171 **General provisions.**

Imported distilled spirits in bulk containers of 5 gallons or more capacity may, under the provisions of this subpart, be withdrawn by the proprietor of a distilled spirits plant from customs custody and transferred in such bulk containers or by pipeline to the bonded premises of his plant, without payment of the internal revenue tax imposed on imported spirits by section 5001, I.R.C. Imported spirits so withdrawn and transferred to a distilled spirits plant (a) may not be bottled in bond under section 5233, I.R.C., (b) may be redistilled or denatured only if of 185 degrees or more of proof, and (c) may be withdrawn from internal revenue bond for any purpose authorized by chapter 51, Internal Revenue Code, in the same manner as domestic distilled spirits. Imported distilled spirits transferred from customs custody to the bonded premises of a distilled spirits plant under the provisions of this subpart shall be received and stored thereat, and withdrawn or transferred therefrom, subject to the applicable provisions of Part 201 of this chapter. The person operating the bonded premises of the distilled spirits plant to which imported spirits are transferred shall become liable for the tax on distilled spirits withdrawn from customs custody under section 5232, I.R.C., upon release of the spirits from customs custody, and the importer shall thereupon be relieved of his liability for such tax.

(82 Stat. 1328; 26 U.S.C. 5232)

1a. Section 251.172 is amended with respect to the preparation and distribution of Form 2609. As amended, § 251.172 reads as follows:

§ 251.172 **Application, Form 2609.**

The proprietor of a distilled spirits plant desiring to withdraw distilled spirits as authorized in § 251.171, shall for each withdrawal submit an application on Form 2609, in quadruplicate, to the internal revenue officer in charge. The application shall appropriately identify the distilled spirits to be withdrawn, and shall be modified by the applicant to cover the transfer of distilled spirits from customs custody, by naming the port of entry through which the spirits are to be withdrawn, and inserting in the "Remarks" item the name and address of the assistant regional commissioner for the region in which is located the plant to which the spirits are to be transferred. If the proprietor's bond on Form 2601 is in the maximum penal sum, or, if in less than the maximum penal sum, is sufficient to cover the tax on the spirits to be transferred in addition to all other liabilities chargeable against such bond, the internal revenue officer shall approve all copies of the Form 2609, forward one copy to the assistant regional commissioner, return the original and one copy to the proprietor and retain the remaining copy. (See § 201.312 of this chapter with respect to need for consent of surety on bond, Form 2601.) The proprietor shall forward the original of Form 2609 to the importer or other person responsible for the release of the spirits from customs custody, who shall submit the form, with the related entry for consumption or withdrawal for consumption forms, to the collector of customs from whose custody it is proposed to withdraw the distilled spirits. The proprietor shall retain the remaining copy of Form 2609.

(72 Stat. 1314, 1322, 82 Stat. 1328; 26 U.S.C. 5001, 5007, 5232)

2. Section 251.173 is amended to read as follows:

§ 251.173 Customs gauge and release.

The collector of customs will not release distilled spirits without payment of internal revenue tax until the approved Form 2609 has been received from the proprietor of the distilled spirits plant. Prior to release from customs custody, the customs officer shall prepare Form 236 (in quadruplicate, when the spirits are to be removed in packages; in quintuplicate, when the spirits are to be removed by pipeline or by bulk conveyance) appropriately modified to show:

(a) Serial number and date of the Form 2609,

(b) Customs port of entry and entry number,

(c) The consignee,

(d) Kind of spirits,

(e) The name of the importer,

(f) Country of origin (manufacture or production),

(g) Method of transfer,

(h) Elements of bulk gauge (if any),

(i) Quantity to be transferred,

(j) Customs seals used (if any),

(k) Date of release, and

(l) Signature and title of the customs officer in lieu of the proprietor.

When shipments are made in tank cars or tank trucks, the details of the gauge of each tank car or tank truck shall be reported separately. In the case of barrels, drums, or similar portable containers, the details of the gauge shall be shown on Form 2630, in triplicate. In addition, the customs officer shall ascertain and enter on each copy of Form 236 the rate of customs duty paid on the distilled spirits and, if the distilled spirits are imported for nonbeverage purposes, the rate of customs duty which would have been applicable had such spirits been imported for beverage purposes. On compliance with the requirements of customs regulations (including determination of duties due), and on completion of Form 236 (and Form 2630, where required), the customs officer shall release the spirits for transfer, retain one copy of Form 236 (and Form 2630, if any), forward one copy of Form 236 to the assistant regional commissioner (alcohol and tobacco tax) at the address shown on Form 2609, and forward the original and remaining copy (or copies) of Form 236 (and Form 2630, if any) to the internal revenue officer at the distilled spirits plant.

(72 Stat. 1314, 1322, 82 Stat. 1328; 26 U.S.C. 5001, 5007, 5232)

PART 252—EXPORTATION OF LIQUORS

PAR. E. 26 CFR Part 252 is amended as follows:

1. Section 252.11 is amended to delete the reference to export storage in the definition of proprietor. As amended, the definition of Proprietor in § 252.11 reads as follows:

§ 252.11 Meaning of terms.

* * * * *

Proprietor. The person who operates the brewery, distilled spirits plant, bonded wine cellar, taxpaid wine bottling house, or manufacturing bonded warehouse, as the case may be, referred to in this part.

* * * * *

2. Section 252.51 is amended to provide that a drawback bond will be filed with the assistant regional commissioner for the region in which the claim will be filed and to clarify existing text. As amended, § 252.51 reads as follows:

§ 252.51 General.

Every person required by this part to file a bond or consent of surety shall prepare and execute it on the prescribed form and file it with the assistant regional commissioner of the region in which is located the premises from which the withdrawal or removal of spirits or wines is made without payment of tax, or, in the case of taxpaid or tax-determined spirits or wines on which claim for drawback of tax will be filed, with the assistant regional commissioner for the region in which the claim will be filed, in accordance with the procedures of this part: *Provided*, That the procedures in Part 201, 240, or 245 of this chapter shall govern bonds given on Form 2601, 700, or 1566, respectively.

3. Section 252.65 is amended by substituting the word "claimant" for the word "exporter" as the exporter is not authorized to file a claim in all instances. As amended, § 252.65 reads as follows:

§ 252.65 Bond, Form 2738.

Whenever, under the provisions of this part, the claimant desires drawback of tax on distilled spirits or wines to be exported, laden for use on vessels or aircraft, or transferred to and deposited in a foreign-trade zone, as authorized in §§ 252.171, 252.201, and 252.211, prior to the receipt by the assistant regional commissioner of the certified copy of Form 1582, 1629, or 1582-A, as the case may be, as prescribed by this part, he shall file bond on Form 2738 with the assistant regional commissioner as provided in § 252.51. The penal sum of the bond shall be sufficient to cover the amount of drawback which will at any time constitute a charge against the bond: *Provided*, That the maximum penal sum shall not exceed $200,000, but in no case shall the penal sum be less than $1,000.

(46 Stat. 690, as amended, 48 Stat. 999, as amended, 72 Stat. 1336, as amended; 19 U.S.C. 1309, 81c, 26 U.S.C. 5062)

4. The heading of Subpart I, immediately preceding § 252.171, and § 252.171 are amended to delete the reference to bottling or packaging of spirits especially for export. Section 252.171 is further amended to insert a reference to spirits stamped, or restamped, and marked especially for export with benefit of drawback, and to specify that drawback shall be allowed to the bottler or packager of the spirits. As amended, the heading of Subpart I and § 252.171 read as follows:

Subpart I—Exportation of Distilled Spirits With Benefit of Drawback

§ 252.171 General.

Distilled spirits manufactured or produced in the United States on which an internal revenue tax has been paid or determined, and which have been stamped and marked, or restamped and marked (if in cases), or marked (if in packages), under the provisions of Part 201 of this chapter and of this part, as applicable, especially for export with benefit of drawback may, subject to this part, be:

(a) Exported;

(b) Laden for use on the vesssels or aircraft described in § 252.21; or

(c) Transferred to and deposited in a foreign-trade zone for exportation or for storage pending exportation.

On receipt by the assistant regional commissioner of required evidence of such exportation, lading for use, or transfer, there shall be allowed to the bottler (or packager) of the spirits a drawback equal in amount to the tax found to have been paid or determined on such spirits.

(46 Stat. 690, as amended, 48 Stat. 999, as amended, 72 Stat. 1336, as amended; 19 U.S.C. 1309, 81c, 26 U.S.C. 5062)

5. Section 252.175 is amended to delete the reference to spirits bottled or packaged especially for export with benefit of drawback, to modify the reference to spirits prepared especially for export with benefit of drawback, and to specify that the customs certification on Form 1583 is not required where imported spirits are withdrawn from internal revenue bond. As amended, § 252.175 reads as follows:

§ 252.175 Customs certification on Form 1583.

Where distilled spirits stamped and marked, or restamped and marked (if in cases), or marked (if in packages), especially for export with benefit of drawback are manufactured (rectified) in the United States with the use of imported spirits (other than such spirits withdrawn from internal revenue bond) or imported wines, the collector of customs at the port where the entry or withdrawal for consumption was made shall, on application in writing by the rectifier, execute a certificate on Form 1583, in triplicate, showing that the internal revenue tax has been collected on the imported spirits or wines described in the application. The collector will forward the original of Form 1583 to the assistant regional commissioner designated in the application, forward one copy to the rectifier, and retain one copy for his files.

(72 Stat. 1336, as amended; 26 U.S.C. 5062)

6. Section 252.177 is amended to delete the reference to Form 1656 and to insert a cross-reference to § 252.175. As amended, § 252.177 reads as follows:

§ 252.177 Action by assistant regional commissioner.

The assistant regional commissioner will not approve a claim for drawback, Form 1582, when the distilled spirits covered thereby are manufactured (rectified) from imported spirits or wines, until the Form 1583, if required under the provisions of § 252.175, has been received.

(72 Stat. 1336, as amended; 26 U.S.C. 5062)

§§ 252.180–252.182, 252.185–252.188 [Deleted]

7. Sections 252.180–252.182, 252.185–252.188, and the two undesignated center headings immediately preceding §§ 252.180 and 252.185 are deleted.

8. Section 252.190 is amended to (1) delete "and claim" in the section heading, and (2) change "notice of intention" to "notice of shipment", delete "from export storage", and delete the final sentence in the text. As amended, the section heading and the text of § 252.190 read as follows:

§ 252.190 Notice, Form 1582.

Notice of shipment of distilled spirits for export, for use as supplies on vessels or aircraft, or for deposit in a foreign-trade zone, shall be prepared by the exporter on Form 1582, in quadruplicate: *Provided*, That where the withdrawal is for use on aircraft, an extra copy, marked "Consignee's Copy", shall be prepared. Each Form 1582 shall be given, by the exporter, a serial number beginning with "1" for the first day of January of each year and running consecutively thereafter to December 31, inclusive.

(46 Stat. 690, as amended, 48 Stat. 999, as amended, 72 Stat. 1336, as amended; 19 U.S.C. 1309, 81c, 26 U.S.C. 5062)

§ 252.191 [Deleted]

9. Section 252.191 is deleted.

10. Section 252.192 is amended to delete the references to packaging especially for export and to export storage. As amended, § 252.192 reads as follows:

§ 252.192 Packages of distilled spirits to be gauged.

Where distilled spirits in packages are to be removed for export with benefit of drawback, the proprietor of the distilled spirits plant shall gauge the packages prior to preparation of his notice on Form 1582: *Provided*, That where inspection discloses no evidence of loss and removal is made within 30 days from the time of packaging the distilled spirits, the filling gauge shall be considered the gauge at the time of removal. The internal revenue officer at the distilled spirits plant shall supervise the gauging of the distilled spirits by such proprietor. Report of gauge shall be made by the proprietor on Form 2630, in quadruplicate (appropriately modified), and a copy of the report of gauge shall be attached to each copy of Form 1582 and considered a part thereof. The report of gauge shall be checked by the internal revenue officer by verifying the gauge of a representative number of packages, selected at random.

(72 Stat. 1336, as amended; 26 U.S.C. 5062)

11. Section 252.193 is amended to delete the reference to export storage and to change "proprietor" to "exporter." As amended, § 252.193 reads as follows:

§ 252.193 Export marks.

In addition to the marks and brands required to be placed on packages and cases at the time they are filled under the provisions of Part 201 of this chapter, the exporter shall place additional marks, as herein specified, on each such container before removal for export, for use on vessels or aircraft, or for transfer to a foreign-trade zone:

(a) "Export—Drawback Claimed"—Where the spirits are to be removed for export from the United States; or

(b) "Use on Vessels (or Aircraft)—Drawback Claimed"—Where the spirits are to be removed for use on vessels or aircraft; and

(c) Where the spirits are removed for deposit in a foreign-trade zone, in addition to and immediately following the markings prescribed in (a) above, the words "via F.T.Z. No." followed by the number of the zone.

All such markings shall be placed on the containers in the same manner and in the same area as is prescribed in Part 201 of this chapter for the affixing of the original marks.

(46 Stat. 690, as amended, 48 Stat. 999, as amended, 72 Stat. 1336, as amended; 19 U.S.C. 1309, 81c, 26 U.S.C. 5062)

§ 252.194 [Deleted]

12. Section 252.194 is deleted.

13. Section 252.195 is amended to provide that copies of Form 1582 are to be furnished to the bottler or packager for use in filing claims, rather than to the assistant regional commissioner, and to insert a reference to a new section concerning claims. As amended, § 252.195 reads as follows:

§ 252.195 Disposition of Form 1582.

The exporter shall forward or deliver the original and one copy of Form 1582 to the officer to whom the shipment is consigned, or in whose care it is shipped, as required by Subpart M of this part. Where the shipment is for delivery for use on aircraft, the copy marked "Consignee's Copy", provided for in § 252.190, shall be forwarded by the exporter to the airline company at the airport. If the exporter is not the bottler or packager of the spirits, he shall also furnish two copies of Form 1582 to the bottler or packager. To claim drawback on the distilled spirits covered thereby, the bottler (or packager) shall execute and file claim as provided in § 252.195a.

(46 Stat. 690, as amended, 48 Stat. 999, as amended, 72 Stat. 1336, as amended; 19 U.S.C. 1309, 81c, 26 U.S.C. 5062)

14. A new section, § 252.195a, is added immediately following § 252.195, to provide procedure for the filing of claims by the bottler or packager. The new § 252.195a reads as follows:

§ 252.195a Claim.

The bottler or packager of the spirits shall compute the drawback rate, complete Parts II and III on both copies of Form 1582, file one copy as the claim for drawback of tax with the assistant regional commissioner for the region in which the claimant's premises are located, and retain one copy for his files. Each claim on Form 1582 shall be supported, as applicable, by a copy of each batch record, Form 122, a copy of each bottling record, Form 2637; a copy of each package gauge report, Form 2630, covering the dumping and bottling or packaging of the spirits; and in the case of spirits bottled in bond, a copy of each Form 179 covering the tax payment. If substitute records are maintained as provided in § 201.432(d) of this chapter, the claimant shall prepare from such record, and submit with the claim, a batch record on Form 122 and shall certify that the transcript accurately reflects the original record.

(46 Stat. 690, as amended, 48 Stat. 999, as amended, 72 Stat. 1336, as amended; 19 U.S.C. 1309, 81c, 26 U.S.C. 5062)

15. Section 252.246 is amended to delete the requirement for securing a through bill of lading as that requirement is included in § 252.250. As amended, § 252.246 reads as follows:

§ 252.246 Delivery for shipment.

The proprietor or exporter may deliver the shipment directly to the consignees designated in §§ 252.241 through 252.245, or he may deliver it to a carrier for transportation and delivery to such consignees, or, when the exportation is to a contiguous foreign country, to the foreign consignee.

(72 Stat. 1334, 1335, 1336, as amended, 1362, 1380; 26 U.S.C. 5053, 5055, 5062, 5214, 5362)

16. Section 252.250 is amended to provide that bills of lading will be filed with the assistant regional commissioner with whom the application, notice, or notice and claim is filed. As amended, § 252.250 reads as follows:

§ 252.250 Bills of lading required.

A copy of the export bill of lading covering transportation from the port of export to the foreign destination, or a copy of the through bill of lading to the foreign destination, if so shipped, covering the acceptance of the shipment by a carrier for such transportation, shall be obtained and filed by the claimant or exporter with the assistant regional commissioner with whom the application, notice, or notice and claim is filed. Where the shipment consists of distilled spirits or wines to be deposited in a foreign-trade zone with benefit of drawback, and the principal has filed bond, Form 2738, copy of the transportation bill of lading covering the shipment shall be obtained and filed by the claimant or exporter with the assistant regional commissioner with whom the notice and claim is filed: *Provided*, That such transportation bill of lading will not be required when delivery is made directly to the foreign-trade zone by the shipper. Bills of lading shall be signed by the carrier or by an agent of the carrier and shall contain the following minimum information:

(a) As to spirits, specially denatured spirits, and wines:

(1) The name of the exporter (if different from the shipper),

(2) The name and address of the consignee (foreign consignee in case of export or through bill of lading),

(3) The number of packages or cases,

(4) The serial number of the Form 206, 1582, or 1582-A, as the case may be, and

(5) The total quantity in wine gallons.

(b) As to beer:

(1) The name of the shipper,

(2) The name and address of the consignee (foreign consignee in case of export or through bill or lading), and

(3) The number and size of containers.

Where a copy of an export bill of lading or a copy of the through bill of lading is required and is not obtainable, a certificate given by an agent of such carrier, as prescribed in § 252.253, may be procured and transmitted by the claimant or exporter to the assistant regional commissioner with whom the application, notice, or notice and claim is filed.

(72 Stat. 1334, 1335, 1336, as amended, 1362, 1380; 26 U.S.C. 5053, 5055, 5062, 5214, 5362)

17. Section 252.263 is amended to delete reference to bottling or packaging for export and to insert reference to stamping and marking especially for export. As amended, § 252.263 reads as follows:

§ 252.263 Duties of customs officer to be performed by an internal revenue officer.

Where authorized by the collector of customs at the interior port of entry in the case of paragraph (a) of this section, or at the port in which is located the manufacturing bonded warehouse in the case of paragraph (b) of this section, the internal revenue officer at a distilled spirits plant shall perform the duties required, by this subpart, to be performed by a customs officer, in the following instances only:

(a) Where distilled spirits withdrawn without payment of tax, or where distilled spirits stamped and marked, or restamped and marked (if in cases) or marked (if in packages) especially for export with benefit of drawback, are laden at an interior port for exportation through another port; and

(b) Where distilled spirits withdrawn without payment of tax are to be transferred for deposit in a manufacturing bonded warehouse which is contiguous to the distilled spirits plant.

(72 Stat. 1336, as amended, 1362, 1380; 26 U.S.C. 5062, 5214, 5362)

18. Section 252.268 is amended to provide that receipts for liquors will be filed with the assistant regional commissioner with whom the application, notice, or notice and claim is filed. As amended, § 252.268 reads as follows:

§ 252.268 Receipt for liquors for use on vessels or aircraft.

Where liquors are withdrawn or removed for use on vessels or aircraft, the exporter shall procure and forward to the assistant regional commissioner with whom the application, notice, or notice and claim is filed, a receipt executed under the penalties of perjury by the master or other authorized officer of the vessel, steamship company, or airline, as the case may be. The receipt shall give the number of containers, the serial numbers of the containers (if any), and the quantity received, and shall show that the liquors are in customs custody and have been or will be laden on board the vessel or aircraft, that they will be lawfully used on board the vessel or aircraft, and that no portion of the shipment has been or will be unladen in the United States or any of its territories or possessions. A receipt is not required, in the case of any shipment for use on vessels, when the liquors are laden on vessels of war, or, in cases other than supplies for vessels employed in the fisheries, where the amount of the tax on the liquors does not exceed $200. In the case of supplies for vessels employed in the fisheries, compliance with the provisions of § 252.22 is also required.

(46 Stat. 690, as amended, 72 Stat. 1334, 1335, 1336, as amended, 1362, 1380; 19 U.S.C. 1309, 26 U.S.C. 5053, 5055, 5062, 5214, 5362)

19. Section 252.331 is amended to delete the phrase "from the proprietor or exporter." As amended, § 252.331 reads as follows:

§ 252.331 Claims supported by bond, Form 2738.

On receipt of a claim for drawback of tax on distilled spirits or wines on which the tax has been determined, and of the evidence of exportation required by § 252.40, or of lading for use on vessels or aircraft required by § 252.41, or of deposit in a foreign-trade zone required by § 252.42, as the case may be, the assistant regional commissioner shall, if a good and sufficient bond has been filed as provided in § 252.65, and the notice of removal has been properly completed, allow the claim in accordance with the rate of drawback established in respect of the particular spirits or wines on which claim is based and charge the amount allowed against the bond. On receipt of the original of the claim properly executed by the appropriate customs official or armed services officer, as required by this part, and, in the case of claims on Form 1582-A, the certificate of tax determination, Form 2605, the assistant regional commissioner shall give appropriate credit to the bond.

(46 Stat. 690, as amended, 48 Stat. 999, as amended, 72 Stat. 1336, as amended; 19 U.S.C. 1309, 81c, 26 U.S.C. 5062)

[F.R. Doc. 69-1326; Filed, Jan. 31, 1969; 8:45 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 315—REGULATIONS GOVERNING UNITED STATES SAVINGS BONDS

PART 316—OFFERING OF UNITED STATES SAVINGS BONDS, SERIES E

PART 342—OFFERING OF UNITED STATES SAVINGS NOTES

Notice of Waiver of Regulations

Some provisions of 31 CFR Parts 315, 316, and 342 have been waived to permit the registration of U.S. Savings Bonds of Series E and U.S. Savings Notes (Freedom Shares) in the names of trustees of employees' savings plans which substantially conform to the provisions of 31 CFR 316.5(c) and to provide for their convenient administration.

The bonds and notes will be issued in the name of the trustee by the use of book entries, that is entries made in the records of the Bureau of the Public Debt, which will reflect, by issue month and year, the total amount of savings bonds and savings notes held in book-entry form for each qualified plan. In due course the bonds and notes will be reissued by the trustee or the employer-company or their redemption value paid by the trustee to the persons entitled thereto under the plans.

The purpose of this notice is to inform employers with similar thrift plans of the advantages of the trust form of registration, the use of the book-entry method and the reissue procedure referred to above. More detailed information about the advantages and the scope of the waiver may be obtained upon submission of pertinent savings-plan data to the Commissioner of the Public Debt, Department of the Treasury, Washington, D.C. 20220.

Dated: January 28, 1969.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[F.R. Doc. 69-1342; Filed, Jan. 31, 1969; 8:47 a.m.]

SUBCHAPTER C—OFFICE OF THE TREASURER OF THE UNITED STATES

[Dept. Circular 1001 (Rev.)]

PART 365—ISSUE OF SUBSTITUTES OF LOST, DESTROYED, MUTILATED AND DEFACED CHECKS DRAWN ON THE TREASURER OF THE UNITED STATES

Delegation of Authority to Secretary of Defense To Issue Substitute Checks

The Department of Defense has requested an extension of the existing authority of the Secretary of Defense to