

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Request

OMB Control Number 1513-0107

TTB F 5220.6 Monthly Report - Tobacco Products Importer

A. Justification.

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection?

Reports of the lawful importation and disposition of tobacco products are necessary to determine whether those issued the permits required by 26 U.S.C. 5713 should be allowed to continue their operations or renew their permits.

26 U.S.C 5722 and 27 CFR 41.206 requires importers of tobacco products to submit the monthly report. This report is the least burdensome method of determining whether any activity not authorized by the permit is taking place.

In addition, 26 U.S.C. 5722 and 27 CFR 41.207 provides authority for requiring the filing of reports and 26 U.S.C. 5741 and 27 CFR 41.208 imposes record retention and inspection requirements in respect to tobacco products.

These reports are the only information collections regularly required of importers of tobacco products.

2. How, by whom, and for what purpose is this information used?

TTB uses this report as an accounting tool to protect the revenue. Records of receipt and disposition are the basic source documents that describe the activities of importers of tobacco products. They provide an audit trail of taxable commodities from point of importation to the point of sale. They are a tool to ensure that importers of tobacco products are in compliance with regulations and have accurately accounted for all products received (including inventory gains) and disposed of (including inventory losses). This report summarizes those records.

TTB also uses this report to determine if tobacco products are being diverted for illegal purposes and to ensure that holders of basic permits are engaging in the operations stated on their basic permit.

3. To what extent does this collection of information involve the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology? What consideration is given to use information technology to reduce burden?

We have approved and will continue to approve, on a case-by-case basis, the use of improved technology for the maintenance of required records used to generate this report.

4. What efforts are used to identify duplication? Why can't any similar information already available be used or modified for use for the purposes described in Item 2 above?

We terminated the Federal Information Locator System (FILS) Program for agency use. However, we search an agency subject classification system to identify any duplication. No similar information is available from any other source.

5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?

The preparation of reports of tobacco products is required by statute; therefore, we cannot reduce this requirement on the basis of the size of the entity. However, smaller importers of tobacco products would have to gather less source records from which to provide the information required in this report. No special provisions are made for the size of the entity.

6. What consequences to Federal program or policy activities and what, if any, technical or legal obstacles to reducing burden will occur if this collection is not conducted or is conducted less frequently?

Without the information required in this collection of information, TTB would be severely hampered in determining whether these commodities were being illegally diverted because we would be unable to determine if individual importers of tobacco products were accurately accounting for the receipt and the disposition of tobacco products. Not collecting this information or less frequent collection of this information would pose jeopardy to the revenue.

7. Are there any special circumstances associated with this information collection?

There are no special circumstances associated with this information collection.

8. What effort was made to notify the general public about this collection of information?

A 60-day Federal Register notice was published for this information collection on Monday, July 3, 2006, 71 FR 37977. The notice solicited comments from the general public. TTB received no comments.

9. What decision was made to provide any payment or gift to respondents, other than reenumeration of contractors or grantees?

No payment or gift is associated with this collection.

10. What assurance of confidentiality was provided to respondents and what was the basis for the assurance in statute, regulations, or agency policy?

The records for these reports are maintained at the premises of importers of tobacco products. Reports are submitted to TTB's National Revenue Center and are maintained in secure file rooms with controlled public access. Both 26 U.S.C. 6103 and 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated individuals.

11. What justification is there for questions of a sensitive nature?

We ask no questions of a sensitive nature.

12. What is the estimated hour burden of this collection of information?

TTB estimates that 648 importers of tobacco products would be required to prepare and submit monthly reports. Thus, the reporting burden is calculated as follows:

Monthly Summary Reports

648 respondents x 12 months = 7,776 responses

@ 56 minutes per response = 7,258 hours

Total Hours = 7,258.

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information?

The total annual cost estimate associated with this paperwork requirement is allocated entirely to operations and maintenance. Annual costs are allocated as follows:

7,776 responses X \$5.25 + \$40,824
Postage: 7,776 reports @ \$0.37 = \$2,877

Total: \$43,701.

14. What is the annualized cost to the Federal government?

Estimates of annual cost to the Federal government are as follows:

Printing	\$ 19.00
Distribution	\$ 6.00
Clerical Cost	\$ 55.00
Other Salary (review, supervisory, etc.)	<u>\$825.00</u>
Total	\$905.00

15. What is the reason for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I?

Although there is an increase in the response time due to the amendment of Item 7 to add "and Released From Customs Custody into the United States," and the addition of 3 new items (5, 9, and 14), there is a decrease in the total burden hours due to a decrease from 1,500 to 648 in the number of respondents. As a result, there is a program change (1,037 hours increase) and an adjustment (-8,179 hours decrease) for a total of -7,142 hours decrease.

16. Outline plans for tabulation and publication for collections of information whose results will be published.

The results of this collection will not be published.

17. If seeking approval to not display the expiration date for OMB approval of this information collection, what are the reasons that the display would be inappropriate?

We are not seeking approval to not display the expiration date for OMB approval.

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.