

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0040

TTB F 5110.25 Application for Operating Permit under 26 U.S.C. 5171(d)

A. JUSTIFICATION

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

Distilled spirits plants (DSPs) are regulated under the provisions of two statutes; the Internal Revenue Code (IRC or 26 U.S.C.) as implemented by Title 27 CFR Part 19, and the Federal Alcohol Administration Act (FAA), as implemented by 27 CFR Parts 1,2, 3, 5, 6, 8, 10, and 11.

All persons who intend to engage in the business of (a) distilling spirits; (b) rectifying, blending, or bottling (processing); or (c) warehousing and bottling distilled spirits must file for a basic permit. The FAA basic permit is issued for beverage spirits, whereas the IRC operating permit, under 26 U.S.C. 5171(d), is issued for industrial (non-beverage) spirits.

The IRC, in order to regulate admission into the distilled spirits industry, requires that an operating permit be obtained before starting the production, warehousing, or bottling of alcohol for industrial use. An operating permit is the means for specifying the operations of a DSP. TTB F 5110.25 serves as an application for determining the qualifications of persons entering the industrial use field.

Additionally, persons who engage only in the business of warehousing bulk distilled spirits, for non-industrial use without bottling, are not required to obtain a basic permit under the FAA Act. However, they are required to obtain an operating permit under 26 U.S.C. 5171(d). Like a basic permit, only one operating permit is issued to a DSP. The permit specifies the operations authorized under the permit.

The regulations, that prescribe an application and supporting documentation be submitted before obtaining an operating permit, are found in the following:

27 CFR 19.157	27 CFR 19.162	27 CFR 19.183
27 CFR 19.158	27 CFR 19.165	27 CFR 19.189
27 CFR 19.159	27 CFR 19.181	27 CFR 19.191.
27 CFR 19.160	27 CFR 19.182	

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

TTB F 5110.25 provides information concerning the name and principal business address of the applicant, plant address (if different from the business address), description of the operations to be conducted and a statement as to the type of business organization, and persons interested in the business operation.

As previously stated, the information provided on TTB F 5110.25 serves to determine the qualifications of persons entering the industrial use field. Collection of this information limits the possibility of persons engaging in the illicit manufacture and sale of non-taxpaid distilled spirits.

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?

This form is prescribed in regulations by statutory authority with information collected that is unique to each respondent, and applicable only to the needs of each respondent. TTB has approved and will continue to approve, on a case-by-case basis, the use of improved information technology.

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

TTB F 5110.25 collects information that is pertinent to each respondent and applicable to the specific operations of each applicant. As far as we can determine, similar information is not available any where else.

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

All entities, regardless of size, are required by statute and by regulations to complete this form. This information collection cannot be waived simply because the respondent's business is small.

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?

Respondents complete this information only as often as necessary to comply with the provisions of the statutes.

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 Thursday, September 4, 2008, 73 FR 51699. 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?

26 U.S.C. 6103 and 5 U.S.C. 552 protect the confidentiality of the information collected.

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?

The number of respondents, and the number of forms filed annually by each are based on historical data provided by TTB field personnel who process this form. TTB F 5110.25 is filed only by proprietors of new DSPs engaging in certain specific operations and by holders of operating permits who have had a change in control, name, address, or trade name. The establishment of new DSPs is a rare occurrence and not all new plants are required to obtain operating permits. Established plants tend to be relatively stable, experiencing few of the changes that would necessitate filing a new TTB F 5110.25. The supplemental information, required by the instructions on the form (supporting documentation), can always be incorporated by reference. For those reasons, TTB has determined that, the number of reports filed annually by the 80 respondents is one. It takes each respondent 15 minutes to complete this form. The total burden hours are 20.

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

No new cost is associated with this collection.

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

There is no annualized cost to the Federal Government.

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

No program changes or adjustments are associated with this collection.

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

We will not publish the results of this collection.

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 will display the expiration date of OMB approval for this collection.

18. What are the exceptions to the certification statement?

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.