

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0018

TTB F 5100.24 - Application for a Basic Permit under the Federal Alcohol Administration Act

**A. Justification**

1. What are the circumstances that make this collection of information necessary and what legal or administrative requirements necessitate the collection? Also include the following: Align the information collection to Treasury's Strategic Goals, Line of Business/Sub-function, and IT Investment, if one is used.

TTB F 5100.24 is an application for a basic permit for beverage distilled spirits plants and bonded wineries. The issuance of basic permits to distillers and wine producers was established by Congress passing the Federal Alcohol Administration Act. The purposes for establishing permits were to:

- a.) Effectively regulate interstate and foreign commerce in distilled spirits, wine, and malt beverages;
- b.) Protect the revenue; and
- c.) Enforce postal laws with respect to distilled spirits, wine, and malt beverages.

27 U.S.C. 203 states that it is illegal for any producer, bottler, or warehouseman of distilled spirits or wine to operate without a basic permit. 27 U.S.C. 204 authorizes the Secretary of the Treasury to prescribe the manner and form of all applications for basic permits (including the facts to be set forth on the permit). 27 CFR 1.25 provides that applications for basic permits shall be made on the appropriate form.

The application enables TTB to determine if the applicant is qualified under the law to receive a basic permit. The form sets forth the information to be supplied by the applicant to obtain a permit. The permits identify persons entitled to engage in operations and the location and extent of operations authorized.

This information collection is aligned with:

Treasury Strategic Goal: US & World Economies Perform at Full Performance Potential.

Line of Business/Sub-function: General Government/Taxation Management.

IT Investment: Tax Major Application Systems.

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

The information on this application is used by TTB to determine if the applicant for a basic permit meets the requirements of 27 U.S.C. 204 and is qualified to receive a 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 information technology. We are developing a Permits on Line (PONL) system from which forms will be submitted electronically. This form is included in that system.

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?

TTB F 5100.24 contains information collected that is pertinent to each respondent and applicable to the specific issue of qualification for a basic permit. As far as we can determine, similar information is not available elsewhere.

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 to obtain a basic permit to engage in any of the stated businesses. This information collection is required in order to determine if a person should be granted a permit and it cannot be waived 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?

If this information was not collected, TTB would have no way of determining if an applicant is eligible for a basic permit as required by statute. Since the duration of a basic permit is specified in the statute at 27 U.S.C. 204(g), respondents complete this information only as often as necessary to comply with the statute.

7. Are there any special circumstances associated with this information collection that would require it to be conducted in a manner inconsistent with OMB guidelines?

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? Summarize the public comments that were received and describe the action taken by the agency in response to those comments.

A 60-day Federal Register notice was published for this information collection on Monday, March 7, 2011, 76 FR 12412. 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?

No specific assurance of confidentiality is provided for this information collection requirement. The confidentiality of information appearing on this form relating to trade secrets, and to commercial or financial information is protected by 5 U.S.C. 552.

Title 27 CFR 1.59 requires that the appropriate TTB officer provide opportunity for public inspection of certain information appearing on TTB F 5100.24 for a period of one year following final action on the application. Information open to public inspection includes: name and trade names (if any) of applicant; address of applicant; kind of permit and location of business; whether applicant is an individual, partnership, or corporation; if a partnership, name and address of each partner; if a corporation, name and address of each of the principal officers and of each stockholder owning more than 10 percent of the corporate stock.

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

No questions of a sensitive nature are asked.

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

There are 3,500 respondents that complete this form once annually, an increase from the 1,600 that previously responded. It takes each respondent 1 hour and 45 minutes to complete this form, for a total burden of 6,125 hours. With the introduction of the new PONL system, TTB predicts that 626 of the 3,500 respondents will use the PONL system to file electronically in the 1<sup>st</sup> 12-month period. It will take them 1 hour to complete this form using PONL. As a result, the estimated burden hours are:

Paper submissions:  $2,874 \text{ (respondents)} \times 1 \text{ (annual submissions)} = 2,874 \text{ (responses)} \times 1 \text{ hour and 45 minutes (processing time)} = 301,770/60 = 5,030 \text{ (burden hours)}$

PONL submissions:  $626 \text{ (respondents)} \times 1 \text{ (annual submissions)} = 626 \text{ (responses)} \times 1 \text{ hour (processing time)} = 626 \text{ (burden hours)}$

Total Burden Hours with the introduction of PONL:  $5,030 + 626 = 5,656$ .

Total Burden Hours before PONL:  $3,500 \times 1 \times 1 \text{ hour and 45 minutes} = 6,125$

13. What is the estimated total annual cost burden to respondents or recordkeepers resulting from this collection of information (excluding the value of the burden hours in Question 12 above?)

There is no cost associated with this collection.

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

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

Printing	\$	390	
Distribution		280	
Clerical Cost		2,240	
Other Salary (review, supervisory, etc.)		<u>6,280</u>	—
TOTAL	\$	9,190	

15. What is the reason for any program changes or adjustments?

There is a program change and an adjustment associated with this collection. The number of respondents has increased (adjustment) which made the number of responses and burden hours more than previously reported. The burden hours will decrease (program change) as a result of the reduction in the time it takes to complete and submit this form using the new PONL system. Although the burden hours will decrease the total burden hours will be high than previously reported because the number of respondents increased.

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

18. What are the exceptions to the certification statement?

- (c) See item 5 above
- (f) This is not a recordkeeping requirement
- (i) No statistics involved
- (j) See item 3 above

**B. Collections of Information Employing Statistical Methods.**

This collection does not employ statistical methods.