

JUSTIFICATION

FORMULA AND PROCESS FOR DOMESTIC AND IMPORTED ALCOHOL BEVERAGES

TTB F 5100.51 Formulas Online (FONL)

1513-0122

Background:

Prior to 2007, alcohol beverage formula approval could be obtained using a variety of different forms and submission methods to include TTB F 5100.38, Formula for Distilled Spirits Under the Federal Alcohol Administration Act; TTB F 5120.29, Formula and Process for Wine; Quantitative list of ingredients and method of manufacture submitted on foreign producer's letter head for products that an applicant wishes to import; and Statements of Process for Malt Beverage and Sake products. In the Fall of 2007, all of the information from the various forms and submission methods used to obtain formula and pre-import approval was consolidated in TTB F 5100.51, Formula and Process for Domestic and Imported Alcohol Beverages, also known as the Uni-Form, emerged as an official form, which has been voluntarily utilized by industry members to obtain pre-import and formula approval. In essence, the Uni-Form was designed to capture information required for formula and pre-import approval, according to TTB's Industry Circular 2007-4 and 27 CFR Parts 4, 5, 7, 19, 24, 25, 26, and 27, for all commodities.

FONL:

The Uni-Form formed the basis for the creation of FONL, TTB's new, web-based system for **drafting, submitting, and tracking** formula applications for domestic and imported alcohol beverages. This new system, which streamlines the formula approval process and revolutionizes the way in which formula applications are submitted, promotes compliance with the Paperwork Reduction Act of 1995. Through this system, applicants are no longer required to submit formula and pre-import applications in duplicate. Rather, the information required for approval may be entered directly into the appropriate fields of FONL and supporting documentation may be uploaded to the application. Additionally, FONL allows the applicant to by-pass the postal service and associated costs. With the click of a button a formula submission is transmitted and routed directly to either a TTB Chemist or Formula Specialist for processing. Further, the system also provides for the automated routing and processing of paper-based formulas and pre-import submissions. Moreover, FONL was designed to interface with some of TTB's other major application systems such as COLAs Online. COLAs Online allows industry members to submit label applications electronically. For many products formula approval is required before an applicant may submit an application for label approval. With the integration of

FONL with COLAs Online, e-COLA applicants are no longer burdened with the requirement of supplying copies of a particular formula along with their application but may now select the appropriate formula from a drop down menu. The TTB Formula ID number associated with the formula for the specified product becomes a hyperlink upon submission of the e-COLA through COLAs Online. Labeling Specialists are then able to obtain all information regarding a particular label and formula submission without having to access paper file records.

FONL will certainly reduce the burden on applicants in the following ways:

- No longer have to pay for postage/courier services
- No longer have to make copies of submissions
- No longer have to wait for a response to be mailed back via U.S. mail—through FONL applicants will receive up to the minute updates via e-mail on applications
- System validations prevent applicants from making errors on their submissions, which may often significantly delay their approval process and may ultimately effect the time frame in which their products get to market
- With COLAs Online and FONL now interfacing, submitters using both applications may easily select a formula from a drop down menu and may no longer be required to scan in and upload the formula to the label submission.

To date, 18% of formula submitters are utilizing FONL as their formula submission method. We are hoping that through the use of our marketing and promotional strategies, this number will increase. It is our hope that in time at least half of formula submitters will utilize the system.

The annual burden is computed as follows: there are 1,000 respondents that complete this form 4 times per year. Four thousand formulas are received annually, and these formulas require an average of 2 hours to complete; resulting in an annual burden of 8,000 hours for this information collection. With the introduction of FONL, 180 of the 1,000 respondents utilize the new system 4 times per year. On average it takes each of the 180 respondents 1.5 hours to complete the approval process ($180 \times 4 = 720 \times 1.5 = 1,080$ via FONL) ($820 \times 4 = 3,280 \times 2 = 6,560$ via paper) ($1,080 + 6,560 = 7,640$), a reduction of 360 burden hours. We anticipate that the burden hours will decrease further as FONL increase in popularity.