

DEPARTMENT OF THE TREASURY

ALCOHOL TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0119

TTB REC 5382(a)(3) Certification of Proper Cellar Treatment for Imported Natural Wine

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.

This information collection implements section 2002 of the Miscellaneous Trade and Technical Corrections Act of 2004, Pub. L. 108-429, 118 Stat. 2434 ("the Act"), signed by President Bush on December 3, 2004. Section 2002 of the Act revised 26 U.S.C. 5382(a), which sets forth standards regarding what constitutes proper cellar treatment of natural wine.

The revision to section 5382(a) added new paragraph (3) setting forth a certification requirement regarding production practices and procedures for imported natural wine produced after December 31, 2004. Under the certification provision, the Secretary of the Treasury will accept the practices and procedures used to produce imported wine if, at the time of importation, one of the following conditions is met:

- a) The Secretary has on file or is provided with a certification from the government of the producing country, accompanied by an affirmed laboratory analysis, that the practices and procedures used to produce the wine constitute proper cellar treatment under regulations prescribed by the Secretary;
- b) The Secretary has on file or is provided with a certification, if any, as may be required by an international agreement or treaty; or
- c) In the case of an importer that owns or controls or that has an affiliate that owns or controls a winery operating under a basic permit issued by the Secretary, the importer certifies that the practices and procedures used to produce the wine constitute proper cellar treatment under regulations prescribed by the Secretary.

The implementing regulation setting forth the format of the certification requirement imposed on industry is found at 27 CFR 27.140.

This information collection is aligned with:

Treasury Strategic Goal: None.

Line of Business/Sub-function: Law Enforcement/Substance Control.

IT Investment: None.

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

The certification records will be used by TTB to ensure imported wine was produced using proper cellar treatment. This certification helps TTB enforce its statutory responsibilities under the Internal Revenue Code.

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?

The regulation specifies a format for the certification, but does not preclude maintaining it in electronic form. TTB has approved and will continue to approve, on a case-by-case basis, the use of improved information technology for the maintenance of information used to prepare a certification.

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?

The certification contains information collected that is pertinent to each respondent and applicable to the specific issue of the proper cellar treatment of wine. As far as we can determine, similar information is not available anywhere else.

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

The information collection is statutory and TTB cannot change the requirements of the statute. However, the information collection does not appear to have a significant impact on a substantial number of small businesses or other small entities.

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?

This requirement is considered to be the minimum necessary to comply with 26 U.S.C. 5382(a)(3). Collecting the information less frequently or not at all would be inconsistent 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 Thursday, June 9, 2011, 76 FR 33811. 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 remuneration 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 assurance of confidentiality has been provided to respondents. No sensitive information is requested.

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

No questions of a sensitive nature are required.

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

The estimated number of respondents, 4,000, and the estimated average number of records prepared annual by each respondent, 5, are based on industry data provided by TTB field personnel and our industry analyst. The estimated average number of hours per response, .33 hour, is based on information provided by our industry analyst. The total burden on all of the wine importing industry is approximately 6,600.

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)?

Total annual cost estimate associated with this information collection requirement is allocated entirely to preparation and maintenance. Annual costs are allocated as follows:

Personnel time requirements:

Minimum wage preparation of 0.33 @ \$6.55/hour	=	\$2.16
Total industry cost burden for 20,000 responses	=	\$43,200

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

There is no cost to the Federal Government.

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

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?

It would be inappropriate to display the expiration date for OMB approval because these certifications are prepared by the respondent, and unlike a form, there is no medium for us to display the date.

18. What are the exceptions to the certification statement?

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

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.