

DEPARTMENT OF THE TREASURY  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement - Information Collection Request

OMB Control Number 1513-0020

TTB F 5100.31 Application for and Certification/Exemption of Label/Bottle Approval

**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.**

Changes in this supporting statement reflect changes to section numbers as recodified in the final rule for the revision of part 19 of the Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations. (See TTB Notice No. 83 and T.D. TTB-92) TTB has also revised the instructions on the form.

27 U.S.C. 205(e) and implementing regulations at 27 CFR:

4.40	5.51	7.40	19.513	24.255	25.142
4.50	5.55	7.41	19.516	24.257	26.39
4.51	7.30	7.42	19.517	24.258	26.314
4.52	7.31		19.518	25.141	

mandate the labeling of alcohol beverages (wine, distilled spirits, and malt beverages) to provide consumers with adequate information as to the identity and quality of the product and prevent consumer deception.

Under the statute, labels must be approved prior to use. U.S. bottlers and importers cannot bottle or import alcohol beverages without the mandated label approval. TTB F 5100.31 is a dual-purposed form, used to request and obtain the required label approval. This form serves as both an application and a certificate or exemption from a certificate.

Label applications are prepared by the domestic entity that will bottle or package the wine, distilled spirit, or malt beverage. For imported items, the U.S. importer prepares the application. Completed applications are submitted to TTB's Advertising, Labeling and Formulation Division (ALFD) for review, analysis, determination of compliance with all statutory and regulatory requirements, and issuance or non-issuance of a certificate or exemption.

Both paper and electronic applications are reviewed by ALFD staff. By doing so, TTB can ensure consistency in the processing of the applications and maintain a centralized automated file that streamlines the entire application process. TTB's database allows for identification and tracking of domestic and imported alcohol

beverage labels. Identification and tracking are critical tools TTB utilizes in its Protect the Public strategic goal.

This information collection is aligned with:

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

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

IT Investment: Regulatory Major Application Systems.

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

The information collected is used by TTB to ensure that labels meet the statutory and regulatory requirements. Since each product that is bottled domestically or imported must have its own certificate, it is important that the application clearly identify the label. In addition, the information on the form also identifies the class and type of the product which is relevant for Federal excise tax purposes. The information collected is used by several federal and state agencies, as well as the public.

**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 information collected on the form is entered into TTB's COLAs Online database for identification and tracking purposes and when a label is approved, the information is viewable through the online TTB Public COLA Registry.

TTB launched COLAs Online e-applications in May 2003. In addition to maintaining paper applications that are filed by proprietors, COLAs Online is utilized to file applications electronically. Electronic filing is now responsible for 88% of applications received.

**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?**

Under the FAA Act, labels must be approved prior to use, and industry members create these labels in accordance with TTB regulations for this purpose. The information is not 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?**

All entities, regardless of size, are required to provide this information in order for TTB to comply with its obligation under 27 U.S.C 205(e). This requirement 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?**

This information collection is required by statute. Respondents file an application only as needed 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.**

An NPRM (Notice No. 83), for the revision to part 19, was published on May 8, 2008 (73 FR 26200). In response to Notice No. 83, TTB received 7 comments. Six of the comments expressed strong support for the revisions to part 19 and commented on specific areas of agreement and recommendations for further changes. The comments were supportive of efforts to reduce burden of forms by allowing letterhead applications and notices where possible. No comments were opposed to changes that are affected by this information collection. As a result, a final rule (T.D. TTB-92, 76 FR 9080) was published to reflect the changes that were proposed in Notice No. 83. For this collection, several section numbers were changed.

A 60-day Federal Register notice was published for this information collection on Tuesday, December 27, 2011, 76 FR 81016. The notice solicited comments from the general public on changes TTB proposed to make to the form, including adding several new categories of changes that can be made to alcohol beverage labels without obtaining a new certificate. TTB received 13 comments, most of which specifically supported the concept of changing the form to allow additional changes to labels without obtaining a new certificate. Eleven commenters provided additional recommendations to update the form, many of which were suggestions for additional label items that could be changed without obtaining a new approval from TTB. TTB incorporated many of the suggestions that could be adopted immediately. Some of the suggestions require further study or could not be adopted without changes to our electronic systems; these will be considered by TTB for future action.

**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 on this form, and approved COLAs are public information and available on TTB's website. Any proprietary information or tax return information submitted with the application is protected from disclosure under the Internal Revenue Code (26 U.S.C. 6103) and/or exemption under the Freedom of Information Act (5 U.S.C. 552).

**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?**

During a 12 month period 7,738 industry members filed an application for label approval. Based on the number of applications received in that period, it is estimated that each applicant submitted 16.9 applications. Also, it is estimated that an industry member should be able to complete the form in approximately 31 minutes. The total burden is 67,566 hours.

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

No cost is 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:

Salary for processing	\$405,000
Imagining, data entry	\$313,000
Clerical Cost	\$139,000
Printing	\$ 1,000
Distribution	<u>\$ 500</u>
<b>TOTAL</b>	<b>\$858,500</b>

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

The revisions are being made to incorporate final rule 27 CFR Parts 1, 17, 19, et al., Revision of Distilled Spirits Plant Regulations (February 16, 2011, at 75 FR 9080) with this information collection. The rule modernized requirements for operating distilled spirits plants and included a number of operational changes (renumbering) to improve the layout of the regulatory text. We have also made changes by revising the instructions on the form.

There is a decrease in the number of respondents from 10,982 to 7,738 (difference -3,244). This decrease is due to an adjustment in the number of responses from 134,529 to 94,790 (-39,739) for a total burden hour adjustment of -18,591.

Due to the convenience of electronic submissions of the COLAs, the number of responses per respondent has increased from 12.25 to 16.90. This resulted in an increase in annual responses by an additional 35,981, for an increase of 18,892 burden hours due to this program change.

A total decrease of 3,758 responses and an increase of 301 hours are realized for a total burden request of 67,566 hours.

**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 are involved
- (j) See item 3 above

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

This collection does not employ statistical methods.