

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0011

TTB F 5150.19 Formula and/or Process for Article Made With Specially Denatured Spirits

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.

26 U.S.C. 5273(a) provides that persons may not use specially denatured spirits (SDS) in the manufacture or production of any article until approval of the article, formula, and process has been obtained from the Secretary of the Treasury. TTB Form 5150.19 is the means by which persons using SDS in the manufacture of articles apply for and receive approval of their formulas and processes.

The regulations which implement 26 U.S.C. 5273 are 27 CFR 20.91-94, 20.100, and 20.101. These regulations require, except for "general-use" formulas (provided elsewhere in the regulations), that all persons who use SDS in the manufacture of articles must submit formulas and processes, on TTB F 5150.19, for approval. TTB examines this form to ensure that it complies with the requirements of 26 U.S.C. 5273, which states that no person shall sell any article containing denatured spirits for beverage purposes.

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?

Our laboratory personnel examine the formulas and processes stated on TTB F 5150.19 to ensure that the articles being manufactured are, in fact, nonbeverage products and, in the case of internal medicinal preparations and flavoring extracts, that no spirits remain in the finished product (26 U.S.C. 5273(b)(1)). Our field personnel compare manufacturing records to approved formulas, on TTB F 5150.19, to ensure that articles are, in fact, being manufactured in accordance with approved formulas and processes.

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 technology for the maintenance of records used to prepare this form. TTB F

5150.19 is available on the TTB website as well as Formulas Online (FONL). FONL allows this form to be submitted electronically.

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?

TTTB F 5150.19 collects information that is pertinent to each permittee and applicable to his/her specific formulas and processes. 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?

The law does not exempt or make special provisions for small manufacturers of articles containing SDS. Everyone, regardless of the size of the business, must have the formulas and processes approved, unless "general-use" formulas have already been approved to be used.

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?

Without TTB F 5150.19, persons manufacturing articles with SDS would have no means of complying with 26 U.S.C. 5273. TTB has no control over the frequency of submissions. Persons submit TTB F 5150.19 only as often as necessary to get new formulas and processes approved.

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 notice was published in the *Federal Register* (77 FR 67442) on Friday, November 9, 2012. The notice solicited comments from the general public. TTB received no comments in response to this notice.

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?

All formulas, samples, and statements of process submitted for examination are protected from public disclosure under 5 U.S.C. 552(b)(4) and 26 U.S.C. 6103.

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 average number of hours per response is based on information from TTB Laboratory personnel who offer assistance to permittees in completing the form and manage the FONL system. The previous number of respondents (2,683) and burden hours (2,415) has decreased.

Out of the 1,423 formulas that were submitted in the past 12-month period, 219 (15%) were submitted using FONL. If FONL did not exist then the total burden hours for this submission would be $1,423 \times 1 = 1,423 \times 54 \text{ minutes} = (1,281), 87 \text{ hours more than the new estimated total burden hours.}$

Paper: $1,204 \times 1 = 1,204 \times 54 \text{ minutes} = 67,016/60 = (1,083.9 \text{ or } 1,084)$

FONL: $219 \times 1 = 219 \times 30 = (6,570//60) = (109.5 \text{ or } 110)$

Format	# Respondents	# Responses Per Respondent	Annual Responses	Hours Per Response	Total Burden
Paper	1,204	1	1,204	0.90	1,084
FONL	219	1	219	0.50	110
Totals	1,423	1	1,423	0.84	1,194

Total Estimated Burden Hours: $1,084 + 110 = 1,194$

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

There is no cost associated with this collection.

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

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

Printing and Distribution.....	\$ 150.00
Clerical.....	1,430.00
Other (administrative, supervisory.....)	<u>2,462.00</u>
Total.....	\$ 4,302.00

The printing and distribution of hard copies of this form has dropped due to FONL and the availability of the form on TTB.gov.

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

There is a program change and an adjustment associated with this collection. There is an adjustment because there is a decrease of 1,260 respondents and a program change because of the introduction of FONL, 87 hours less than what the burden hours would be if FONL was not available for this submission.

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?

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

B. Collection of Information Employing Statistical Methods

This collection does not employ statistical methods.