

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement – Information Collection Requirement

OMB Control Number 1513-0127

Petition for the establishment of an American Viticultural Area

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.

Section 105 of the Federal Alcohol Administration Act (27 U.S.C. 205(e)) authorizes the Secretary of the Treasury to prescribe regulations for the labeling of wine, distilled spirits, and malt beverages to prevent deception to consumers, and to provide consumers with adequate information as to the identity and quality of the product. The legislative history of the Federal Alcohol Administration Act shows that Congress intended to grant broad rulemaking authority to ensure that labels on alcohol beverages provide consumers with adequate information about the product.

It is under this authority that TTB has issued regulations to establish American Viticultural Areas (AVAs) which may be used by wine producers as appellations of origin on their wine labels. These AVA designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to its geographic origin. The establishment of AVAs allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region distinguishable by geographic features, the boundaries of which have been recognized and defined in part 9 of the TTB regulations.

Part 9 of the TTB regulations (27 CFR Part 9) prescribes the standards for submitting a petition to amend the regulations to establish a new AVA or to modify an existing AVA. Section 9.12 contains specific information that must be included in a petition for consideration by TTB.

This information collection is aligned with:

Treasury Strategic Goal: None.

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

IT Investment: None.

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

The information submitted by the petitioner is used by TTB to determine whether or not to proceed to rulemaking to establish a new AVA or to modify an existing AVA.

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?

Because of the various sources of information that must be submitted by the petitioner, including United States Geological Survey maps, the submission of the information does not lend itself to automation. TTB continues to consider automated or other electronic collection techniques where appropriate.

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 information requested is unique to each petition and generally not requested or available elsewhere. Accordingly, efforts to identify duplication are not applicable to a collection of information for this purpose.

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

The information required to be contained in a petition to establish a new AVA or to modify an existing AVA is the minimum necessary for TTB to consider approval of the petitioned-for action. This information collection is not susceptible to reduced requirements for small businesses.

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?

The collection of information only occurs when a member of the public wants TTB to consider establishing a new AVA or modifying an existing AVA. Collecting the information less frequently would result in TTB not considering taking actions which members of the public wish TTB to take.

7. Are there any special circumstances associated with this information collection?

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 notice of proposed rulemaking was published in the Federal Register on November 11, 2007, at 72 FR 65261, to amend the regulations concerning the establishment of American viticultural areas (AVAs). An extension of the comment period was published for an additional 60-days and the final rule published on January 20, 2011, at 76 FR 3489. Comments received in response to this rulemaking were summarized and addressed in the final rule.

A 60-day notice was published in the Federal Register (78 FR 4589) on Tuesday, January 22, 2013. 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?

No specific assurance of confidentiality is provided in this information collection.

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 estimated number of respondents is based upon an average number of AVA petitions submitted/received/accepted per year.

11 (respondents) X 1 (times filed annually) = 11 (responses) X 130 hours (processing time) = 1,430 (total burden hours). The processing time is divided between the petitioner (110 hours) and a consultant (20 hours) that normally assist in the development of a petition.

	No. of Respondents	No. Responses Per Respondent	Annual Responses	Hours Per Response	Total Burden
Business or other for-profit	6	1	6	130	780
Farms	5	1	5	130	650
TOTAL	11	1	11	130	1,430

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)?

The cost estimate of **\$36,015** for preparing and filing an AVA petition is based on:

110 hours (petitioner) @ \$20/hr =	\$ 2,200
20 hours (consultant) @ \$50/hr =	\$ 1,000
USGS maps	\$ 60
Postage	\$ <u>15</u>
 Cost per Petition	 \$ 3,275
Total respondents/petitioners	<u>x 11</u>
 TOTAL COST BURDEN	 \$36,025

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

The annualized cost to the Federal government is \$31,395 per AVA rulemaking.

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

Previous submissions separated the categories of affected public for private sector's (1) businesses or other for-profits and (2) farms as individual information collections (IC). We are combining these private sectors under one single IC. There is no change to the burden.

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 this information collection requires the submission of a petition, which is developed by the petitioner and contains unique information. Unlike a form, there is no medium on which to display the expiration date for OMB approval.

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. Collection of Information Employing Statistical Methods

This collection of information does not employ statistical methods.