

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0119

Information Collection Request Title:

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 align the information collection to TTB's Line of Business/Sub-function and IT Investment, if one is used.

Under provisions of the Internal Revenue Code (IRC) at 26 U.S.C. 5382(a)(3), importers of natural wine produced after December 31, 2004, must provide the Secretary of the Treasury with a certification, accompanied by an affirmed laboratory analysis, that the practices and procedures used to produce the wine constitute proper cellar treatment. Section 5382(a)(3) also contains alternative certification requirements or exemptions for natural wine produced and imported subject to certain international agreements or treaties, and for such wine imported by an owner or affiliate of a domestic winery.

The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers this IRC section pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). In addition, the Secretary has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

Under these authorities, this TTB information collection implements the certification requirement for imported natural wine contained in 26 U.S.C. 5382(a)(3). The TTB regulations implementing the certification requirement and describing the format of the certification are found at 27 CFR 27.140.

This information collection is aligned with—

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

IT Investment: None.

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

TTB uses these certification records to ensure that 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?

TTB does not issue a paper form for the required certification. Rather, the TTB regulations at 27 CFR 27.140 merely specify the data required on, and a format for, the certification. Many importers use their own electronic systems to produce and maintain the required certifications.

In addition, nearly all importers who submit these certifications to TTB do so electronically via TTB's "COLAs Online" system (<https://www.ttbonline.gov/>) as part of their Certificate of Label Approval (COLA) submission for the wines in question (see OMB No. 1513-0020). TTB also allows importers to submit the required certification via email (winecertificationdocket@ttb.gov) or by fax.

4. What efforts are used to identify duplication? Can similar information already available be used or modified for use for the purposes described in Item 2 above?

The certification contains information that is pertinent to each respondent and applicable only to the specific requirement to certify the proper cellar treatment of imported natural wine. As far as TTB 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 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?

TTB considers this information collection requirement to be the minimum necessary to comply with the certification requirement for imported natural wine contained in 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.*

To solicit comments from the general public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on October 15, 2014, at 79 FR 61940. TTB received no comments on this information collection in response.

9. *Was any payment or gift given to respondents, other than remuneration of contractors or grantees? If so, why?*

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?*

TTB provides no assurance of confidentiality to respondents to this information collection. The certifications submitted to TTB by importers are disclosed to the public via posting on the TTB website at http://www.ttb.gov/wine/certs_on_file.shtml.

11. *What is the justification for questions of a sensitive nature? If personally identifiable information (PII) is being collected in an electronic system, identify the Privacy Impact Assessment (PIA) that has been conducted for the information collected under this request and/or the Privacy Act System of Records notice (SORN) issued for the electronic system in which the PII is being stored.*

This information collection contains no questions of a sensitive nature. Also, this information collection contains no personally identifiable information that is collected in an electronic system.

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

Based on industry data provided by TTB personnel, the estimated number of annual respondents is 4,000, and the estimated number of annual responses per respondent is five. TTB estimates the average response takes 0.33 hours to complete. Therefore, the total estimated burden for this collection is 6,600 hours.

(4,000 respondents x 5 annual responses per respondent = 20,000 annual responses x 0.33 hours per response = 6,600 annual burden hours.)

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

The estimated annual cost burden to respondent for this information collection is calculated as follows: 20,000 responses x 0.33 hours per response = 6,600 responses x \$7.25/hour = \$47,850 annual cost burden.

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

There is no cost to the Federal Government for this information collection.

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

There are no program changes or adjustments associated with this collection.

16. *Outline plans for tabulation and publication for collections of information whose results will be published.*

TTB posts the submitted certificates of proper cellar treatment for imported natural wine on its website at http://www.ttb.gov/wine/certs_on_file.shtml. On that TTB webpage, the posted certificates are first indexed by the year of importation, then by the country of origin, and then by the producing company's name.

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?*

There is no TTB form associated with this information collection and the submitted certifications are prepared by the respondent. Therefore, there is no medium on which TTB can display the OMB expiration date for this information collection.

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.