

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0082

Information Collection Request Title:

Alternate Methods or Procedures and Emergency Variations from Requirements for Exports of Liquors (TTB REC 5170/7).

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.

The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers chapter 51 (distilled spirits, wine, and beer), chapter 52 (tobacco products, processed tobacco, and cigarette papers and tubes), and sections 4181-4182 (firearms and ammunition excise taxes) of the Internal Revenue Code of 1986, as amended, (IRC, 26 U.S.C.) 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 of the Treasury has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

The IRC, at 26 U.S.C. 7805, authorizes the Secretary to issue "all needful rules and regulations" to implement the Code. Such regulations include provisions that allow regulators to authorize the use of methods or procedures that vary from, but are not contrary to, those specifically prescribed in the regulations. Under this authority, certain TTB regulations allow industry members to apply for alternate methods or procedures or emergency variances from certain requirements in order to allow regulated industry members operational flexibility and the ability to innovate in ways not anticipated when TTB issued or revised the specific regulations in question, or in order to meet emergency circumstances. Such alternatives and variances may relate to facility construction and equipment, methods of operation, or procedures for recordkeeping, for example.

In the case of this information collection, TTB REC 5170/7, the TTB regulations in 27 CFR Part 28, Exportation of Liquors, at § 28.20, allow liquor exporters to apply for approval of alternate methods or procedures or emergency variances from the requirements of that part. Under § 28.20, the exporter's application must generally show good cause for the use of the proposed alternative (or its necessity in the case of an emergency variation) and that the proposed alternative affords equal protection to the revenue, is not contrary to law, and does not hinder administration of part 28. This section also disallows applications for alternate methods or procedures relating to the giving of a bond or the payment of tax. In addition, this section specifies that applicants must receive TTB approval before using the proposed alternative, and it allows TTB to withdraw its approval of the alternative.

This information collection is aligned with —

- 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?

These applications help TTB administer the provisions of the IRC and protect the revenue while affording liquor exporters operational flexibility in meeting regulatory requirements. Upon application for an alternate method or procedure or for an emergency variance, TTB personnel use the application to determine if the requested alternative meets the criteria for approval. In addition, TTB periodically reviews these applications to identify areas where the part 28 regulations may require change.

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 has approved, and it will continue to approve on a case-by-case basis, the use of improved technology for the submission of applications and the maintenance of records. However, TTB does not believe that this information collection is adaptable to the use of improved information technology.

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 application required under this information collection submission contains information pertinent to each respondent and specific to their proposed alternate method or procedure or emergency variance request. As far as TTB is 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?

This information collection cannot be reduced or waived for small business, as the collection is necessary to protect the revenue, ensure lawful operations, and support effective administration of the regulations. However, TTB notes that this collection permits small businesses to request and potentially obtain approval for alternative methods or procedures from those prescribed in the 27 CFR part 28 regulations, as the alternatives may be less burdensome than the prescribed method or procedure.

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?

Respondents complete this information only as often as they deem necessary. If TTB did not conduct this collection, respondents would not be able to obtain TTB approval of alternatives to the 27 CFR part 28 regulations. Variations to the regulations could only be

effectuated as amendments to the regulations through the much lengthier process of rulemaking.

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?

Respondents maintain copies of the applications submitted to and approved by TTB under this information collection for as long as they use the approved alternate methods or procedures or emergency variances.

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 January 13, 2016, at 81 FR 1679. 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?

No specific assurance of confidentiality is provided for this information collection. However, Federal law at 5 U.S.C 522 and 26 U.S.C. 6103 protects the confidentiality, respectively, of proprietary business information and taxpayer information obtained by the government, unless disclosure is specifically authorized by law. TTB maintains its copies of these applications in secure office space and computer systems. Respondents also maintain copies at their business premises.

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. In addition, this information collection does not collect personally identifiable information (PII) in an electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this collection.

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

Based on the recent experience of TTB personnel, TTB estimates there are 230 respondents to this information collection, and each responds once per year. TTB estimates that each response takes 36 minutes (24 minutes for reporting and 12 minutes for record-keeping). Therefore, the estimated total annual burden for this collection is 138 hours.

(230 respondents X 1 response/year = 230 responses X 36 minutes/response = 8,280 minutes/60 minutes per hour = 138 hours.)

As noted above, respondents retain these records for as long as they use the approved alternate method or procedure or emergency variance.

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)?*

There is no annual cost to respondents associated with the collection of this information.

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

The annualized cost to the Federal Government associated with this collection is \$3,300 (value of the time required for TTB specialists to evaluate respondent applications).

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

There are no program changes associated with this collection.

Adjustments: Based on recent experience, TTB is decreasing the number of respondents to this information collection from 500 to 230, a decrease of 270. While we are increasing the per respondent burden estimate from 24 minutes to 36 minutes to more accurately reflect the reporting element of this information collection, the decrease in the number of respondents results in a decrease in the total annual burden hours for this collection from 200 to 138, a decrease of 62 hours.

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

TTB 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?*

There is no TTB form for this information collection, which consists of respondent-generated applications for alternate methods and procedures or for emergency variances to the 27 CFR part 28 regulations. As such, there is no medium for TTB to display the OMB approval expiration date.

18. *What are the exceptions to the certification statement?*

- (c) See item 5 above.
- (i) No statistics are involved.
- (j) See item 3 above.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.