

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0064

Information Collection Request Title: Importers Records and Reports (TTB REC 5170/1).

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.). TTB also administers the Federal Alcohol Administration (FAA) Act, at 27 U.S.C. 201 *et seq.* TTB administers these laws 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 and FAA Act administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

TTB regulates, among other things, the production, bottling, packing, labeling, taxation, and importation of distilled spirits, wine, and malt beverages pursuant to the FAA Act. TTB also administers the provisions of the IRC with respect to the taxation and importation of distilled spirits, wine, beer, tobacco products, processed tobacco, and cigarette papers and tubes. These statutory provisions are the basis of TTB regulations that require importers of these products to obtain permits and to submit certain information upon importation.

The International Trade Data System (ITDS) is an interagency program to establish an electronic "single window" through which importers and exporters may submit electronically the data required by Federal government agencies for clearing imports or exports. Section 405 of the Security and Accountability for Every Port Act of 2006 (SAFE Port Act) (Pub. L. 109-347) mandates participation in ITDS by all agencies that require documentation for clearing or licensing the importation and exportation of cargo

Currently, importers and exporters that are regulated by multiple agencies or that import or export commodities regulated by multiple agencies must submit data to those agencies through various channels, often in paper form. Through the implementation of ITDS, data will be entered into the Automated Commercial Environment (ACE), operated by U.S. Customs and Border Protection, and then made available to each government agency.

To implement the SAFE Port Act and E.O. 13659, TTB is issuing a proposed rule titled “Amendments to Streamline Importation of Distilled Spirits, Wine, Beer, Malt Beverages, Tobacco Products, Processed Tobacco, and Cigarette Papers and Tubes and Facilitate Use of the International Trade Data System” (Notice No. 159), which will amend the TTB regulations governing the importation of distilled spirits, wine, beer and malt beverages, tobacco products, processed tobacco, and cigarette papers and tubes. The proposed amendments are intended to clarify and streamline import procedures, and support the implementation of ITDS and the filing of import information electronically in conjunction with an electronic import filing with CBP. The proposed amendments include providing the option for importers to file import-related data electronically when filing entry or entry summary data electronically with CBP, as an alternative to the current TTB requirements that importers submit paper documents to CBP upon importation. Under the proposed rule, the information collection approval for many of these electronic submissions will be placed under this OMB control number 1513–0064, Importer's Records and Reports (TTB REC 5170/1).

Sections 26.331, 27.208, 27.209, and 27.221 are currently listed under 1513-0064, but are also being amended by the proposed rule and will remain under 1513-0064. Under the proposed rule, and under current regulations that are not a part of the proposed rule, the following TTB regulations in 27 CFR chapter I will contain information collection requirements related to imports of TTB-regulated commodities that are approved under this OMB control number, 1513–0064:

§ 1.58	§ 4.27	§ 4.40	§ 4.45	§ 4.53	§ 4.70
§ 5.45	§ 5.51	§ 5.52	§ 5.56	§ 7.31	§ 26.52
§ 26.112a	§ 26.163	§ 26.200	§ 26.205	§ 26.222	§ 26.272
§ 26.273a	§ 26.276	§ 26.292	§ 26.294	§ 26.296	§ 26.301
§ 26.318	§ 26.331	§ 27.48	§ 27.76	§ 27.77	§ 27.133
§ 27.137	§ 27.138	§ 27.140	§ 27.172	§ 27.208	§ 27.209
§ 27.221	§ 31.225	§ 31.226	§ 41.81	§ 41.86	§ 41.204
§ 41.265.					

For a detailed discussion of TTB’s authority and the regulatory, reporting, and recordkeeping changes associated with this information collection, see the proposed rule document.

This information collection is aligned with:

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

IT Investment: None.

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

At the time of importation, or during field audits, the information collected under the existing and proposed regulatory requirements associated with this information collection is used by CBP and TTB personnel to ensure that: (1) Persons engaged in business as

importers are operating under the permit required by Federal law to engage in such operations; (2) applicable taxes are paid; (3) commodities released from customs custody without payment of tax for transfer in bond are eligible for such release, are sent to eligible bonded facilities, and are not diverted; and (4) labels applied to containers of imported alcohol beverages comply with FAA Act requirements. Also, the letterhead applications and notices approved under this information collection are necessary to ensure that an importer's proposed alternative method will provide equal protection to the revenue and will not pose a burden to TTB in administering 27 CFR parts 26 and 27. These letterhead applications and notices help to protect the revenue.

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?

CBP's International Trade Data System (ITDS) is an interagency program to establish an electronic "single window" through which importers and exporters may submit electronically the data required by Federal government agencies for clearing imports or exports. Using ITDS, importers may electronically submit TTB required data regarding the importation of TTB-regulated commodities in lieu of paper submissions.

In cases where the TTB regulations require importers to keep records supporting the data submitted via ITDS, such records are maintained by the regulated industry members at their business premises and may be inspected by TTB personnel. The regulated industry members may keep the required records in paper or electronic formats at their discretion.

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?

This collection requires information that is pertinent and unique to each importer's specific operations. 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?

These recordkeeping and reporting requirements are considered to be the minimum necessary to ensure compliance and protect the revenue. The standards cannot be reduced on the basis of the size of the respondent.

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?

Not collecting or less frequent collection of this information would leave a significant gap in the audit trail by making it more difficult to trace transactions in imported alcohol and tobacco products, which would pose jeopardy to the revenue.

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 proposed rule titled "Amendments to Streamline Importation of Distilled Spirits, Wine, Beer, Malt Beverages, Tobacco Products, Processed Tobacco, and Cigarette Papers and Tubes and Facilitate Use of the International Trade Data System," in the Federal Register on June 21, 2016, at 81 FR 40404.

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. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals, and 26 U.S.C. 6103 prohibits disclosure of tax returns and tax-related information unless disclosure is specifically authorized by that section.

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?*

If the proposed rule is adopted, TTB estimates that 10,521 respondents will be required to submit information under this information collection approval. TTB estimates that each respondent will respond to this information collection an average of 6 times per year at an estimated burden of 20 minutes per response (0.333 hours), for a total of 21,042 estimated annual burden hours.

(10,521 respondents X 6 responses per year = 63,126 annual responses X 20 minutes per response = 1,262,520 minutes / 60 minutes per hour = 21,042 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)?*

TTB believes that respondents face no additional annual costs resulting from this information collection. With regard to submissions of information electronically to CBP, the information collection covers information that would be submitted electronically along with information the importer would already be submitting to CBP as part of the entry process.

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

There are no costs to the Federal Government associated with this information collection. ITDS and the Partner Government Agency Message Set are being developed independently of this information collection. Therefore, this information collection imposes negligible marginal costs on TTB.

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

Program changes: Under the proposed rule, importers of TTB-regulated commodities will be able to submit TTB-required information regarding those imports electronically through ITDS. The proposed rule will place existing and new information collection requirements for such electronic submissions under this information collection approval, OMB control number 1513-0064. The specific regulatory sections proposed for addition to this information collection are: 27 CFR 1.58, 4.27, 4.40, 4.45, 4.53, 4.70, 5.45, 5.51, 5.52, 5.56, 7.31, 26.200, 26.205, 26.273a, 26.276, 26.292, 26.294, 26.296, 26.301, 26.318, 27.48, 27.76, 27.77, 27.137, 27.138, 27.140, 27.172, 41.81, 41.86, 41.204, and 41.265.

Several of the proposed amendments would allow importers to file information required at importation electronically via ITDS, rather than on paper. In many cases, the proposed regulations require information that the importer would already file as part of its customs entry or entry summary in order to meet CBP requirements and, in such cases, the information submitted to CBP to meet CBP requirements would also satisfy the TTB requirements. In some cases, new information is required to be submitted at importation. Regardless of whether the information is currently required or a new requirement, the importer has the option of filing the TTB data electronically with CBP, and the importer must retain and provide the information upon request.

A complete discussion of the proposed program changes is available in the preamble of the proposed rule, including within the Paperwork Reduction Act discussion in that document.

Adjustments: Adoption of the proposed amendments will increase the number of respondents to this information collection from 500 to 10,521, an increase of 10,021 respondents, and the number of responses per respondent will increase from 1 per year to 6 per year, an increase of 5 responses per year. The estimated total annual burden

hours will increase from 251 hours to 21,042 hours, an increase of 20,791 hours. These increases are due to the program changes noted above, which will place new, or relocate existing information collection requirements, to this information collection approval in order to facilitate use of the ITDS system of importers of TTB-regulated commodities.

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?

This information collection consists of import data elements submitted electronically to TTB via CBP's International Trade Data System, the documenting and supporting import records for that data kept by regulated industry members at their business premises, and occasional letterhead applications and notices. As such, there is no prescribed TTB form for this collection, and, therefore, 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.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.