

**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.*

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.), as well as the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 201 *et seq.*, 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.

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. In addition, the FAA Act at 27 U.S.C. 205 vests the Secretary of the Treasury with broad authority to prescribe regulations that will provide adequate information to consumers regarding the identity and quality of alcohol beverages.

Under these authorities, TTB regulations in 27 CFR Part 4, Labeling and Advertising of Wine, and 27 CFR Part 27, Importation of Distilled Spirits, Wines, and Beer, implement the proper cellar treatment certification requirement for imported natural wine contained in 26 U.S.C. 5382(a)(3). Specifically, under TTB's IRC authority, 27 CFR 27.140 describes the circumstances under which an importer must obtain such a certificate, and it also describes the format for such certificates. This information collection requirement is currently approved under this OMB control number, 1513-0119. Under TTB's FAA Act authority, the proper cellar treatment certification requirement for imported wine also is prescribed in 27 CFR 4.45(b).

### Proposed Rule

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 the International Trade Data System and, specifically, the filing of import information electronically in conjunction with an electronic import filing with U.S. Customs and Border Protection (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.

As for this information collection approval, in the proposed rule, TTB proposes to make various clarifying amendments to 27 CFR 4.45 and 27.140, and to include the information collected in proposed § 4.45 in this information collection approval. Among other things, these amendments will require that the importer of bottled wine must be in possession of the proper cellar treatment certificate at the time of filing the entry with CBP, and the bottler of bulk wine must be in possession of the certificate at the time the wine is withdrawn from the premises where bottled. Under the proposed regulations at § 4.45, the importer must make the applicable certificate available upon request. If filing TTB data electronically, as part of the customs filing, the importer may be asked to make an attestation that it has obtained a certificate and will make it available upon request. The importer must also retain for five years following the date of the removal of the bottled wine from customs custody copies of the certificates and any accompanying invoices and must provide them to the appropriate TTB officer or a customs officer upon request. For full details concerning the proposed amendments to these regulatory sections, see the discussion in the preamble of the proposed rule document.

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](mailto: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 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), in the Federal Register on Tuesday, 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?*

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](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)?*

There are no capital or start-up costs to respondents associated with this collection.

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?*

Under the proposed rule noted in Question 1, we propose to make various clarifying amendments to 27 CFR 4.45 and 27.140, and to allow importers to attest that they possess the required proper cellar treatment certification when using CBP's electronic data system for import entries. We are also amending § 4.45 to state that the information collection it contains regarding such certificates is approved under this information collection number. These proposed changes will not affect the number of respondents to 1513–0119, and we believe that these changes will not affect the burden hours associated with this information. As a result, there are no adjustments associated with this information 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](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.

**B. Collections of Information Employing Statistical Methods.**

This collection does not employ statistical methods.