

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-NEW

Information Collection Request Title: Alternate Method—Automated Commercial Environment (ACE) and Partner Government Agency Message Set for Imports Regulated by the Alcohol and Tobacco Tax and Trade Bureau.

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 (27 U.S.C. 201 *et seq.*). 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 (26 U.S.C. chapters 51 and 52). 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 a single electronic access point through which importers and exporters may submit the data required by Federal government agencies for importation and exportation. Section 405 of the Security and Accountability for Every Port Act of 2006 (SAFE Port Act; Pub. L. 109–347) mandates participation in ITDS for all agencies that require documentation for clearing or licensing the importation and exportation of cargo.

The Automated Commercial Environment (ACE) provides a “single window” that allows importers and exporters to enter one set of data for each shipment of imported or exported goods. The TTB Partner Government Agency (PGA) Message Set defines the TTB-specific information that importers may submit electronically through ACE to meet TTB requirements.

With regard to imports, TTB intends to issue an alternate method to allow importers to submit the TTB PGA Message Set electronically, in lieu of submitting paper documents to U.S. Customs and Border Protection (CBP) at importation. This new information collection covers the data that would be submitted electronically through ACE under that alternate method. Most of the information that the alternate method will require importers to submit through ACE is already required by TTB's regulations. However, there are some additional requirements. For example, importers who are required to have a TTB permit number will submit their TTB permit number when filing electronically in ACE. In general, importers of TTB-regulated commodities are required to obtain a permit from TTB, but they have not previously been required by regulation to file that number with CBP when filing the customs entry electronically. The information collected under this information collection appears in the "ACE Filing Instructions for TTB-Regulated Commodities" available at www.cbp.gov.

Under the alternative method, the following TTB regulations in 27 CFR chapter I will contain information collection requirements related to imports of TTB-regulated commodities:

§ 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.					

TTB has issued a proposed rule, Notice No. 159, in which TTB proposes to amend its regulations to provide importers the option of filing information electronically through the TTB PGA Message Set electronically, in lieu of submitting paper documents to U.S. Customs and Border Protection (CBP) at importation. The alternate method TTB intends to issue in conjunction with this proposed information collection will allow TTB-regulated importers to immediately begin using the ITDS/ACE system to submit the TTB PGA Message Set. Once the regulatory changes proposed in Notice No. 159 are finalized and the use of the ITDS/ACE system is incorporated into the TTB regulations, the alternate method and this information collection will be cancelled.

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?*

The information collected is used by CBP and TTB personnel to ensure that: (1) Persons engaged in business as importers are operating under any permit required under the IRC

or FAA Act 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.

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.

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?

To replace the submission of paper copies of documents required under the TTB regulations, and approved under other information collections, this new information collection approval will allow importers to use the ITDS/ACE system as an alternative method to electronically submit all information regarding imports of TTB-regulated commodities to CBP and TTB. In some cases, the TTB-required information is 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 meet CBP requirements also satisfies the TTB requirements. Therefore, this new information collection will substitute for other information collection requirements, but will not duplicate them.

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

The reporting requirements applicable to TTB-regulated importers are considered to be the minimum necessary to ensure compliance with Federal laws and regulations and protect the revenue. The standards cannot be reduced on the basis of the size of the respondent. However, this internet-based system for the electronic submission of the import information required by CBP and/or TTB reduces the burden on respondents who would be otherwise required to submit paper copies of documents to both agencies.

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 prevent TTB and CBP from ensuring appropriate Federal excise taxes are paid, TTB-regulated commodities are imported in compliance with the law, and importations without payment of tax are not diverted.

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 May 13, 2016, at 81 FR 29950. TTB received no comments on this proposed information collection in response to that notice.

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?*

Based on the number of importers holding TTB-issued permits, TTB estimates that there will be 10,525 respondents to this proposed information collection, who will make an estimated 30 annual entries into ACE using TTB's PGA message set, resulting in 315,750 annual responses to this proposed information collection. Based on experience from a pilot test, TTB estimates that each entry will take up to 7 minutes for the respondent to complete, for a total of 36,838 estimated annual burden hours.

(10,525 respondents X 30 annual responses = 315,750 annual responses X 7 minutes per response = 2,210,250 minutes/60 minutes per hour = 36,838 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?*

There are no program changes or adjustments related to this proposed, new information collection.

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 ITDS/ACE system by regulated industry members. 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?*

- (f) This is not a recordkeeping requirement.
- (i) No statistics are involved.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.