

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0085

Information Collection Request Title:

Principal Place of Business Address and Place of Production Coding on Beer and Malt Beverage Labels, TTB REC 5130/5.

Information Collections Issued under this Title:

- Principal Place of Business Address and Place of Production Coding on Beer and Malt Beverage Labels (TTB REC 5130/5).

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.

Pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d), 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 Act (FAA Act, 27 U.S.C. chapter 8), which, among other things, regulates the labeling and advertising of alcohol beverages introduced into interstate or foreign commerce. In addition, the Secretary of the Treasury (the Secretary) has delegated certain IRC and FAA Act administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

As provided by the IRC at 26 U.S.C. 5412 and by the FAA Act at 27 U.S.C. 205(e), domestically produced beer¹ may be removed from a brewery² for sale or consumption only if labeled³ in conformity with regulations issued by the Secretary. Under these authorities, the TTB regulations at 27 CFR 7.25, 25.141, 25.142, and 25.143 require the brewer's name or trade name and the place of production (city and, if necessary for identification, State) to appear on domestic beer containers (barrels, kegs, bottles, cans, and cases) or their labels.

If a brewer operates more than one brewery, these TTB regulations give the brewer three options for disclosing the place of production on the beer container: (1) The label may show

¹ For the purposes of this document, the terms "brewer" and "brewery" includes bottlers and packers.

² For the purposes of this document, the term "beer" includes malt beverages.

³ For purposes of this document, the term "labeled" includes the placing of brands, marks, and attached labels on beer containers, and the term "label" includes any brands, marks, or labels placed on beer containers. .

the name and address of the brewery where the beer is bottled or packed, (2) the label may show the addresses of all the breweries operated by the brewer, or (3) the label may show the brewer's "principal place of business" (city and state) as the address on the label. In the case of the last two options, the TTB regulations also require the brewer to indicate the actual place of production on the label by printing, coding, or other markings that will permit TTB to determine the beer's actual place of production.

The "principle place of business" labeling option allows multi-plant brewers to use an identical, universal label at all of their breweries, which relieves brewers from having to design and produce new labels showing different brewery addresses every time that a brewery is acquired, built, closed, or sold. The "principal place of business" option also benefits the industry and TTB by reducing the number of label requests from brewers that require certificate of label approval (COLA).

In the case of multi-plant brewers, requiring place of production coding on beer containers or labels allows TTB to protect the revenue by enabling the Bureau to verify claims for loss or destruction of beer. In addition, requiring place of production coding on such universal labels protects the public by allowing brewers, government agencies, consumers, distributors, and retailers to readily identify recalled products.

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?

Identification of the brewer and place of production on beer labels may be used by consumers when selecting the beer they buy. To protect the revenue, TTB uses the identity of the brewer and the place of production coding on beer labels to verify claims for loss or destruction of beer. To protect the public from adulterated or recalled products, consumers, TTB and other government agencies, brewers, distributors, and retailers use the brewer's name and place of production coding to identify recalled products.

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?

The principle place of business and place of production coding information required on beer labels are third-party disclosures. Brewers may use automated, electronic, mechanical, or other technologies as they see fit to apply the required information to beer labels.

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 principle place of business and related place of production coding information placed on beer labels are third-party disclosures and are unique to each multi-plant brewer and the breweries they control. As such, TTB believes this information is not available elsewhere to consumers or TTB.

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

Disclosure on a beer label of the brewer's name and the beer's place of production is required by regulation. In addition, such disclosures on beer labels is a usual and customary business practice. As such, the disclosure of the brewer's principle place of business and the use of place of production coding on beer labels is not susceptible to reduced requirements for small businesses. The required information is necessary to protect the revenue and to protect the public in cases of product recalls.

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?*

This third-party disclosure is necessary in order for TTB to protect the revenue and the public. To protect the revenue, the proper identification of the producing brewer and brewery on beer labels allows TTB to verify a taxpayer's claims for loss or destruction of beer. To protect the public, this information is essential to identify beer that has been adulterated or recalled.

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 notice" for this information collection in the Federal Register on February 14, 2017, beginning at 82 FR 10630. 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?*

As a third-party disclosure made to the general public on beer labels, there is no assurance of confidentiality associated with this information collection.

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.

There are no questions of a sensitive nature associated with this information collection. In addition, this third-party disclosure does not collect personally identifiable information (PII) in a government electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this information collection.

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

Currently, TTB estimates that it regulates 430 multi-plant brewers who control a total of 1,110 breweries, an average of 2.581 breweries per multi-plant brewer. Therefore, TTB estimates that there are 430 possible respondents to this third-party disclosure, each making an average of 2.581 responses per year, for a total of 1,110 possible annual responses to this third-party disclosure requirement.

As for the estimated burden hours for this collection, TTB believes that, in order to cultivate consumer loyalty and protect consumers from recalled products, brewers will identify themselves and a product's place of production on beer labels as a usual and customary business practice that would be carried out during the normal course of business even without the TTB regulatory requirements to disclose such information. Therefore, in accordance with 5 CFR 1320.3(b)(2), the total annual burden for this third-party disclosure is one hour (represents a place holder not an actual estimate of burden). There is no retention period prescribed for this information collection since it involves the third-party disclosure of information to the general public through labeling of beer.

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)?

This information collection consists of usual and customary information that a brewer discloses on beer labels as a normal part of doing business. Therefore, there is no cost to respondents associated with this information collection.

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

There is no cost to the Federal Government associated with this usual and customary business practice.

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

There are no program changes associated with this information collection.

As for adjustments, TTB is reducing the estimated number of respondents due to the availability of more accurate data regarding the number of brewers that operate multiple

production facilities. (In previous supporting statements for this information collection, TTB listed the total number of brewers as possible respondents to this collection, but the estimate now includes only those brewers that operate multiple production facilities.) However, because the labeling of beer containers with the brewer's name and place of production is a usual and customary business practice, the estimated one annual burden hour is unchanged.

For clarity, TTB is revising the title of this information collection request to read "Principal Place of Business Address and Place of Production Coding on Beer and Malt Beverage Labels," instead of the former "Principle Place of Business on Beer Labels."

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

As a third-party disclosure made to the general public on beer labels, TTB itself does 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 usual and customary third-party disclosures made on beer labels during the normal course of doing business. 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.
- (f) This is not a recordkeeping requirement; it covers 3rd party disclosure (labeling).
- (i) No statistics are involved.

B. Collections of Information Employing Statistical Methods.

This collection does not employ statistical methods.