

DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU
Supporting Statement -- Information Collection Request
OMB Control Number 1513-0019

Information Collection Request Title:

Application for Amended Basic Permit under the Federal Alcohol Administration Act.

Information Collection Instruments Issued under this Title:

- Application for Amended Basic Permit under the Federal Alcohol Administration Act, TTB F 5100.18.
- Permits Online—Applications for Amended Permits.

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 the Federal Alcohol Administration Act (FAA Act, 27 U.S.C. chapter 8), 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 FAA Act administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

The FAA Act, at 27 U.S.C. 203, requires that a person apply for and receive a permit, known as a "basic permit," to engage in the business of importing distilled spirits, wine, or malt beverages into the United States; to engage in the business of distilling spirits or producing wine, rectifying or blending distilled spirits or wine, or bottling and/or warehousing distilled spirits; or to engage in the business of purchasing for resale at wholesale, distilled spirits, wine, or malt beverages. The FAA Act, at 27 U.S.C. 204, also imposes certain requirements for basic permits and authorizes the Secretary of the Treasury to prescribe the manner and form of all applications for basic permits.

Under the authority of the FAA Act at 27 U.S.C. 204, TTB regulations concerning basic permits include provisions for their amendment after issuance, which are set forth at 27 CFR 1.40, 1.41, and 1.42. Sections 1.40 and 1.41 require permit holders to apply for an amended basic permit using form TTB F 5100.18 when changes occur in the name, trade name, or address of the permitted business. Section 1.42 requires that a permittee immediately notify TTB of any change in ownership, management, or control of the permitted business, which may be done using TTB F 5100.18. The information supplied by the respondent on TTB F 5100.18 assists TTB in determining whether an application for an amended basic permit meets the criteria for eligibility for such a permit under the FAA Act.

This information collection is aligned with —

- Line of Business/Sub-function: Law Enforcement/Substance Control.
- IT Investment: Permits Online, and Tax Major Application System.

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

Under the authority of the FAA Act at 27 U.S.C. 204, the TTB regulations require basic permit holders to apply for an amended permit using TTB F 5100.18 when changes occur in the name, trade name, or address of the permitted business. The regulations also require basic permit holders to immediately notify TTB when a change occurs in ownership, management, or control of the permitted business, which may be done using TTB F 5100.18. The information furnished by respondents on TTB F 5100.18 enables TTB to determine whether applicants for an amended basic permit meet the statutory requirements in 27 U.S.C. 204 for issuance of a FAA Act basic permit.

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?

Currently, TTB F 5100.18 is available as a fillable-printable form on the TTB website at <https://www.ttb.gov/forms/5000.shtml>. In addition, respondents may complete and submit applications to amend various types of FAA Act basic permits using TTB's electronic, web-based "Permits Online (PONL) system (<https://www.ttb.gov/ponl/permits-online.shtml>).

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 information collection contains information pertinent to each respondent and applicable to the specific issue of determining whether the respondent is qualified under the FAA Act to receive an amended basic permit. As far as TTB is able to 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?

All entities, regardless of size, are required by the FAA Act to obtain a basic permit to engage in certain alcohol beverage-related businesses, and, by TTB regulation, are afforded the ability to amend the permit when certain changes to the business occur. The collected information is necessary to allow TTB to determine if the applicant for an amended permit is eligible for a basic permit under the provisions of the FAA Act. Waiver or reduction of this requirement, simply because the respondent's business is small, would prevent TTB from adequately fulfilling its FAA Act mission, and would prevent TTB from ensuring a level playing field for businesses of all sizes.

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?*

The FAA Act requires all persons who desire to engage in certain alcohol beverage-related businesses to apply for and obtain a basic permit, which may, from time-to-time, require amendment, and the Act sets certain criteria for such permits. As such, not conducting this information collection would prevent TTB from adequately fulfilling its FAA Act mission, and would prevent TTB from ensuring a level playing field for all alcohol-beverage businesses. In addition, respondents apply for an amended basic permit only on an as-needed basis, and, therefore, this collection cannot be conducted less frequently.

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? (See 5 CFR 1320.5(d)(2).)*

There are no special circumstances associated with this information collection that would require it to be inconsistent with OMB guidelines.

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 September 11, 2017, at 82 FR 42722. 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?*

While TTB F 5100.18 and PONL contain Privacy Act Information statements listing the authority for, purpose and routine uses of, and effects of not supplying the requested information, 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 related information unless disclosure is specifically authorized by that section. TTB maintains these records in secure file rooms and computer systems with controlled access.

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. However, it does collect personally identifiable information, and, as such, a Privacy Impact Assessment (PIA) has been conducted for the information collected under this request as part of TTB's Permits Online system and the Tax Major Application system. TTB's PIAs are available on the TTB website at <http://www.ttb.gov/foia/pia.shtml>. In addition, a Privacy Act System of Records notice (SORN) has been issued for those systems under Treasury/TTB .001-Regulatory Enforcement Record System, which was published in the Federal Register on January 28, 2015, at 80 FR 4637.

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

According to recent data from TTB's National Revenue Center, which processes amended basic permit applications, 3,040 respondents submit one such application (or notification) annually, for a total of 3,040 annual responses to this information collection. Of these responses, 2,100 (69%) are filed electronically via Permits Online (PONL) system and 940 (31%) are filed on paper TTB F 5100.18 forms. The estimated total annual burden hours associated with this information collection is 1,170 hours.

The estimated annual burden associated with this information collection is calculated as follows:

	No. of Annual Responses (1 per respondent annually)	Time to Respond per Response	Estimated Annual Burden Hours
F 5100.18 (paper)	940	30 minutes (0.5 hours)	470 hours
PONL (electronic)	2,100	20 minutes (0.3333 hours)	700 hours
TOTAL	3,040	23.092 min avg. (0.3848 hr avg)	1,170 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)?*

Respondents complete and submit an application for an amended basic permit issued under the FAA Act only on an as-needed basis, and the collected information regarding the name, trade name, address, operations, and control of the permitted business is readily available to the respondent. As such, TTB believes that respondents do not bear any additional capital or start-up costs or any increased operation or maintenance costs as a result of this

information collection requirement. As such, there is no annual cost to respondents associated with this information collection.

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

Estimates of annual cost to the Federal Government for this information collection are:

Clerical costs	\$3,496
Other Salary costs (review, supervisory, etc.)	\$8,968
TOTAL COSTS	\$12,464

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate due to the availability of TTB forms to the public on the TTB website at <https://www.ttb.gov/forms/5000.shtml>.

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

There are no program changes associated with this collection. As for adjustments, due to a change in agency estimates, TTB is increasing the number of annual respondents and responses to this information collection from 2,700 to 3,040, an increase of 340 respondents and responses. These increases are due to growth in the number of alcohol beverage businesses regulated by TTB under the FAA Act, which results in an increase in the number of basic permit holders and a corresponding increase in the number of respondents submitting applications for amended basic permits.

However, despite the growth in the number annual of respondents and responses, TTB notes that the estimated annual burden hours for this information collection has decreased from 1,255 to 1,170, a decrease of 85 hours. This decrease is due to the larger percentage of respondents that use TTB's Permits Online (PONL) system to complete and submit an application for an amended basic permit, which takes an estimated 10 fewer minutes per response than the paper form. With the increased use of PONL by respondents, from 26 percent of all amended permit applicants in 2014 to 69 percent currently, the average per-response time for this collection has dropped from 27.888 minutes (0.4648 hours) to 23.092 minutes (0.3847 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 information 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?*

TTB will display the expiration date of OMB approval for this collection on TTB F 5100.18.

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

- (c) See item 5 above.
- (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.