**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement –– Information Collection Request**

**OMB Control Number 1513–0082**

**Alternate Methods or Procedures and Emergency Variations from Requirements**

**for Exports of Liquors (TTB REC 5170/7).**

**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, cigarette papers and tubes, and processed tobacco), and sections 4181–4182 (firearms and ammunition excise taxes) of the Internal Revenue Code of 1986, as amended, (IRC, 26 U.S.C.) pursuant to section 1111(d) of the Homeland Security Act of 2002 (6 U.S.C. 531(d)). In addition, the Secretary of the Treasury (the Secretary) has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Order 120–01.

The IRC, within chapter 51 and at section 7805, authorizes the Secretary to prescribe the regulations necessary to enforce the Code. Under those authorities, TTB has issued regulations in 27 CFR Part 28, Exports of Liquors, which, among other things, impose certain methods and procedures, including recordkeeping and reporting requirements, on persons who export alcohol beverage products from the United States. Specific to this information collection, the regulations at 27 CFR 28.20 allow alcohol beverage exporters to apply for TTB approval of alternate methods or procedures to, or emergency variances from, the requirements of part 28, other than those related to the giving of a bond or the payment of tax. Through such applications, TTB provides alcohol beverage exporters with operational flexibility and the ability to innovate in ways not anticipated when TTB issued or revised the specific regulations in question, and allow such exporters to also meet emergency circumstances.

As provided in § 28.20, an alcohol beverage exporter’s letterhead application for an alternate method or procedure to, or for an emergency variance from, the TTB regulations in part 28 must show good cause for the use of the proposed alternative, or its necessity in the case of an emergency variation. The application also must show that the proposed alternative or variation affords equal protection to the revenue, is not contrary to law, and does not hinder TTB’s administration of part 28. In addition, applicants must receive TTB’s approval before using the proposed alternative or variance, which may be withdrawn under certain circumstances, including jeopardy to the revenue.

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 alternative method or procedure and emergency variance applications required under this information collection provide alcohol beverage exporters with operational flexibility and the ability to innovate in ways not anticipated when TTB issued or revised the regulations in question, and also allows them to meet emergency circumstances. TTB uses the collection information to determine if the described alternate method or procedure or emergency variance meets its criteria for approval. This includes showing good cause for the use of the proposed alternative, or its necessity in the case of an emergency variation, and showing that the proposed alternative or variance affords equal protection to the revenue, is not contrary to law, and does not hinder TTB’s administration of its part 28 regulations. In addition, TTB periodically reviews these applications to identify alcohol export regulations that may require change.

*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 has approved, and it will continue to approve on a case-by-case basis, the use of improved technology for the submission of applications and the maintenance of records. However, TTB does not believe that this information collection, which consists of unique letterhead applications filed by alcohol beverage exporters, is adaptable to the use of improved information technology.

*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 applications required under this information collection contain information pertinent to each respondent and specific to their proposed alternate method or procedure or emergency variance request. As far as TTB is 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 alternate method or procedure and emergency variance application requirements for alcohol beverage exporters cannot be reduced or waived for small business since TTB review of such applications is necessary to protect the revenue, ensure lawful operations, and support effective administration of the TTB regulations. However, TTB notes that this information collection permits small businesses to apply for and potentially obtain approval of alternative methods or procedures from those prescribed in the 27 CFR part 28 alcohol export regulations that may be less burdensome than prescribed methods or procedures.

*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?*

Respondents complete this information collection only as often as they deem necessary. If TTB did not conduct this collection, respondents would not be able to obtain TTB approval of alternatives to, or emergency variances from, the alcohol beverage export regulations in 27 CFR part 28. Without this information collection, such alternatives and variances only could be effectuated as amendments to the part 28 regulations made through the much more time-consuming rulemaking process.

*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 that 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 March 28, 2019, at 84 FR 11867. 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 information 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 related information unless disclosure is specifically authorized by that section. TTB maintains the collected information in secure file rooms with controlled access and in password protected computer systems.

*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 recent experience, TTB estimates there are 230 respondents to this information collection, each making one response per year, and that each response takes 36 minutes (24 minutes for reporting and 12 minutes for recordkeeping). Therefore, the estimated total annual burden for this collection is 138 hours. Respondents retain these records for as long as they use the approved alternate method or procedure or emergency variance.

(230 respondents X 1 response/year = 230 responses X 36 minutes/response = 8,280 minutes/60 minutes per hour = 138 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 there are no annualized costs to respondents associated with this occasional information collection.

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

The annualized cost to the Federal Government associated with this collection is $3,300 (value of the time required for TTB specialists to evaluate respondent applications).

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

There are no program changes or adjustments associated with this 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 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?

There is no TTB form associated with this information collection, which consists of letterhead applications for alternate methods and procedures or for emergency variances to the TTB alcohol export regulations contained in 27 CFR part 28. As such, there is no medium for TTB to display this information collection’s OMB approval expiration date.

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

(c) See item 5 above.

(i) No statistics are involved.

(j) See item 3 above.

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

This collection does not employ statistical methods.