

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement — Information Collection Request

OMB Control Number 1513–0019

Application for Amended Basic Permit under the Federal Alcohol Administration Act

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 (the Secretary) 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 persons to apply for and receive a permit, known as a “basic permit,” before commencing certain beverage alcohol-related businesses. This includes: (1) importing distilled spirits, wine, or malt beverages into the United States; (2) producing, rectifying, or blending distilled spirits or wine; (3) bottling and/or warehousing distilled spirits; and (4) wholesaling distilled spirits, wine, or malt beverages. The FAA Act, at 27 U.S.C. 204, also imposes certain requirements for basic permits, denies permits to those convicted of certain criminal offences and those the Secretary finds unlikely to operate lawfully, and it authorizes the Secretary to prescribe the manner and form of applications for basic permits.

Under the authority of the FAA Act at 27 U.S.C. 204, the 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 an existing basic permit holder to apply for an amended permit using form TTB F 5100.18, Application for Amended Basic Permit under the Federal Alcohol Administration Act, when changes occur in the name, trade name, or address of their business. Also, under § 1.42, a permittee must 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 respondents under this collection allows TTB to determine if applicants for amended basic permits meet the FAA Act's statutory eligibility criteria to hold such permits.

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 a permitted business. The regulations also require basic permit holders to notify TTB immediately when changes occurs in ownership, management, or control of permitted businesses, which may be done using TTB F 5100.18. TTB uses the collected information to determine if applicants for amended basic permits meet the FAA Act's statutory eligibility criteria to hold such a 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>. 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; see <https://www.ttb.gov/ponl/customer-support>.

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?*

The FAA Act requires all entities, regardless of size, to obtain a basic permit to engage in certain alcohol beverage-related businesses, and, by TTB regulation, must obtain an amended permit when certain changes occur to the permitted business. The collected information allows TTB if the amended permit applicant is eligible to hold 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 statutory obligations under FAA Act, and would prevent TTB from ensuring a level playing field for alcohol beverage-related 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, and, on occasion, such permits may require amendment. Because the FAA Act sets specific statutory criteria for basic permit holders, if TTB did not conduct this information collection, it would not be able to determine if an applicant for an amended basic is statutory eligible for such a permit. In addition,

respondents apply for an amended basic permit only on an as-needed basis, and, therefore, TTB cannot conduct this collection 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 public, TTB published a “60-day” comment request notice for this information collection in the Federal Register on November 3, 2020, at 85 FR 69680. 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?*

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, TTB provides no specific assurance of confidentiality 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 that section specifically authorizes its disclosure. TTB maintains these records in secure computer systems and file rooms and computer 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 in an electronic system. As such, TTB has conducted a Privacy Impact Assessment (PIA) for the information collected under this request as part of TTB’s Permits Online (PONL) and Tax Major Application systems. TTB’s PIAs are available on its website at <http://www.ttb.gov/foia/pia.shtml>. In addition, TTB has issued a Privacy Act System of Records notice (SORN) for the collected information as part

of the Treasury/TTB .001–Regulatory Enforcement Record System. TTB last published that SORN in the Federal Register on February 10, 2021, at 86 FR 8889.

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

Estimated Respondent Burden: Based on recent data, TTB estimates the annual burden associated with this information collection request as shown in the table below. TTB estimates that 75 percent of respondents electronically file this information collection using TTB’s PONL system.

Application for Amended Basic Permit under the Federal Alcohol Administration Act (TTB F 5100.18 & PONL Equivalent; OMB No. 1513–0019)				
Collection Instrument	Number of Respondents	Responses (1 per respondent per year)	Per Response Burden	Total Burden Hours
PONL	6,412	6,412	20 minutes	2,137 hours
TTB F 5100.18	2,138	2,138	30 minutes	1,069 hours
Totals	8,550	8,550	(22.5 minutes)	3,206

* PONL = Permits Online, TTB’s electronic permit application system.

Estimated Respondent Labor Costs: Given that each respondent makes one response per year, TTB estimates the annual per-respondent and total respondent labor costs for this information collection request as follows:

Respondent Labor Costs: NAICS 312100 – Beverage Manufacturing – Office & Administrative Support Occupations. Fully-loaded Labor Rate = \$29.59*¹ (One annual response per respondent)				
Collection Instrument	Avg. Time / Response	Labor Cost / Response & Respondent	Total Responses	Total Labor Costs
PONL	20 minutes	\$9.86	6,412	\$63,222.32
TTB F 5100.18	30 minutes	\$14.80	2,138	\$31,642.40
TOTALS:	(22.5 minutes)	(\$11.10)	8,550	\$94,864.72

* Labor costs rounded to the nearest whole cent.

¹ Fully-loaded Labor Rate = Hourly wage rate + benefit costs. For the private sector, this is calculated as hourly wage x 1.44 (to account for benefit costs). Per the most recent U.S. Department of Labor, Bureau of Labor Statistics (BLS), data for National Industry-Specific Occupational Employment and Wage Estimates for NAICS 312100—Beverage Manufacturing, the average fully-loaded labor rate per hour for Office and Administrative Support Occupations is \$29.59 (\$20.55 in wages plus \$9.04 in benefit costs). See the BLS website at https://www.bls.gov/oes/current/naics3_312000.htm.

Respondent Record Retention: The TTB regulations do not require respondents to retain a record copy of applications for amended basic permit under the FAA Act. TTB retains such applications in its PONL system, and TTB enters paper applications into that system as well.

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 there are no annualized start-up or ongoing operation or maintenance costs to respondents for this occasional information collection. There also are no mailing costs to respondents for amended basic permit applications filed via PONL. For paper applications made on TTB F 5100.18, TTB estimates annual respondent mailing costs to be no more than \$10.00 per response. Given that 2,138 respondents make one paper-based response per year, TTB estimates total annual respondent mailing costs to be \$21,380.00 for this information collection request.

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

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. TTB estimates the annualized labor costs to the Federal Government for this information collection request as follows:

Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio, for OMB No. 1513-0019*					
Position	Fully-loaded Labor Rate/Hour ²	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$32.45	0.1 hour	\$3.25	8,550	\$27,787.50
GS-11, Step 5, Specialist	\$59.50	1.0 hour	\$59.50		\$508,725.00
GS-13, Step 5, Supervisor	\$91.79	0.25 hour	\$22.95		\$196,222.50
TOTALS	(\$63.48)	1.35 hours (81 minutes)	(\$85.70)	8,550	\$732,735.00

* Labor costs rounded to the nearest whole cent.

² Federal Government Fully-loaded Labor Rate = Hourly wage rate x a factor of 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) wage data, the fully-loaded labor rates for the Cincinnati, Ohio, wage area are: (1) GS-5, step 5, employee = \$32.45 (\$19.91 in wages plus \$12.54 in benefit costs); (2) GS-11, step 5, employee = \$59.50 (\$36.50 in wages plus \$23.00 in benefit costs); and (3) GS-13, step 5 = \$91.79/hour (\$56.31 in wages plus \$35.48 in benefit costs).. See the OPM website at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/CIN_h.pdf.

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

There are no program changes associated with this collection, and TTB is submitting it for OMB approval only for extension purposes. As for adjustments, due to changes in agency estimates, TTB is increasing the number of annual respondents, responses, and burden hours associated with this collection. 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. Specifically, TTB is increasing the number of annual respondents and responses from 3,040 to 8,550 each, which results in an increase in the estimated total annual burden, from 1,170 to 3,278 hours. TTB notes that with the increased use of PONL by respondents, from 69 percent in 2017 to 75 percent currently, the average per-response time for this collection has dropped from 23.09 minutes to 22.5 minutes.

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

Under the Freedom of Information Act (FOIA), TTB is required to make available all records that members of the public request on a frequent basis. As a result, TTB publishes on its website lists of alcohol industry members who hold basic permits under the FAA Act. The posted lists disclose the names, operating names, and locations of FAA Act basic permit holders; see <https://www.ttb.gov/foia/list-of-permittees>. TTB sorts the published lists by the type of business (distilled spirits producers and bottlers, wine producers and blenders, alcohol beverage importers, and alcohol beverage wholesalers), and then by the State the business is located in. TTB also publishes a separate list of new permittees on a regular basis. (TTB does not post similar information regarding businesses holding an operating permit or Brewer's Notice issued under the Internal Revenue Code (IRC) as the IRC at 26 U.S.C. 6103 generally prohibits disclosure of such tax-related information.)

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?*

As a cost saving measure for both TTB and the public, TTB is seeking approval not to display the expiration date for OMB approval of this information collection on its related form, TTB F 5100.18, and its PONL equivalent. By not displaying that date on those collection instruments, TTB will not have to update the form and its PONL equivalent on its website each time OMB reapproves this information collection. Similarly, respondents and other businesses will not have to update stocks of the paper form, self-produced electronic copies of the form, or versions of the form made for sale to other businesses. Additionally, not displaying the information collection's OMB approval expiration date on the form will avoid confusion among members of the public who may have copies of the form with different expiration dates in their possession.

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 information collection does not employ statistical methods.