

**DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

Supporting Statement — Information Collection Request

Application for Basic Permit under the Federal Alcohol Administration Act

OMB Control Number 1513–0018

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.

In order to effectively regulate interstate and foreign commerce in alcohol beverages, enforce the 21st amendment to the Constitution of the United States, protect the revenue, and enforce the postal laws with respect to alcohol beverages, section 103 of the FAA Act (27 U.S.C. 203) requires that a person must apply to the Secretary for a "basic permit" before beginning business as: (1) An importer of distilled spirits, wine, or malt beverages, (2) a producer of distilled spirits or wine, or (3) a wholesaler of distilled spirits, wine, or malt beverages. In addition, section 104 of the FAA Act (27 U.S.C. 204(c)) describes who is and who is not entitled to a basic permit, and it authorizes the Secretary to prescribe the manner and form of, and the information required in, basic permit applications.

Under those authorities, the TTB regulations in 27 CFR part 1, subpart C (§§ 1.20 through 1.59), prescribe from who and when FAA Act basic permits are required, prescribe the TTB forms to be used for new and amended basis permits, and govern the amendment, duration, termination, revocation, suspension, annulment, and other aspects of such permits.

Specific to this information collection request, OMB No. 1513–0018, 27 CFR 1.25 requires that persons seeking new FAA Act basic permits must file such applications using form TTB F 5100.24.¹ Section 1.27 requires respondents to notify TTB of any changes in ownership, management, or control of their business after submission of their basic permit application but prior to TTB's final action on the application. In addition, § 1.29 requires a basic permit application for each individual plant or premises where any of the activities specified in section 103 of the FAA Act takes place. Further, under § 1.58, basic permit holders must maintain the permit at the place of business its covers and must make that permit available upon request by an appropriate TTB officer, and, in addition, alcohol beverage importers

¹ Respondents file applications for amended FAA Act basic permits on form TTB F 5100.18 (or its electronic equivalent), which is approved under OMB Control No. 1513–0019.

must supply their permit number to U.S. Customs and Border Protection when electronically filing import data with that agency.

The information collected under this request enables TTB to determine the location of the business, its ownership or control, the extent of its operations, and if the applicant(s) is (are) qualified under the FAA Act to receive a new basic permit. Basic permit qualifications help ensure that alcohol beverage industry members are likely to operate their businesses in conformity with Federal laws and regulations related to the labeling, advertising and marketing of alcohol beverage products, as well as those related to alcohol excise tax liability and payment.

This information collection is aligned with —

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

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

The information provided by a respondent on a new FAA Act basic permit application enables TTB to determine the location of the applicant's business, its ownership or control, the extent of its operations, and if the applicant(s) is (are) qualified under the section 104 of the FAA Act (27 U.S.C. 204) to receive a basic permit. If TTB approves the application, the issued basic permit identifies the person(s) entitled to engage in the specified alcohol beverage activities, the location of the permitted establishment, and the extent of its authorized operations. Basic permit qualifications help ensure that alcohol beverage industry members are likely to operate their businesses in conformity with Federal laws and regulations related to the labeling, advertising and marketing of alcohol beverage products, and those related to alcohol excise tax liability and payment.

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?

Respondents may complete, sign, and submit applications for new FAA Act basic permits using TTB's electronic, web-based "Permits Online" (PONL) system; see the TTB website at <https://www.ttb.gov/ponl/customer-support>. The PONL system also allows respondents to edit such applications and track their approval. In addition, TTB F 5100.24, Application for Basic Permit under the Federal Alcohol Administration Act, is available as a fillable-printable form on the TTB website at <https://www.ttb.gov/forms>.

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?

TTB F 5100.24 (and its PONL equivalent) provides TTB with information pertinent to each respondent and applicable to the specific issue of application for and qualification to receive a new FAA Act basic permit. As far as TTB is able to determine, similar information is not available to the Bureau 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 new or amended basic permit to engage in certain specified alcohol beverage-related businesses. This information collection is necessary to allow TTB to determine if a person is legally qualified to receive a new basic permit under that statute, and it cannot be waived because the respondent's business is small.

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?*

If TTB did not collect this information, it would be unable to determine if an applicant is eligible to receive a new basic permit under the FAA Act. In addition, under section 104(g) of the FAA Act (27 U.S.C. 204(g)), a basic permit continues in effect until it is suspended, revoked, or voluntarily surrendered, or if legal control of the permitted business changes. As such, respondents complete this information collection only as necessary to comply with the statute, and, as such, 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 September 16, 2021, at 86 FR 51720. 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?*

TTB provides no specific assurance of confidentiality for this information collection on TTB F 5100.24 or on its PONL equivalent. However, Federal law at 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals unless disclosure is specifically authorized by law. TTB

maintains basic permit applications 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. TTB has completed Privacy Impact Assessments (PIAs) for the Tax Major Application and Permits Online (PONL) systems, which contain the personally identifiable information (PII) gathered under this information collection. TTB also has published a Privacy Act System of Records notice (SORN) for those systems under the “Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau (TTB) .001–Regulatory Enforcement Record System;” see the Federal Register of February 10, 2021, at 86 FR 8988. TTB’s PIAs are available on the TTB website at <https://www.ttb.gov/foia/privacy-impact-assessments>.

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 81 percent of respondents file this information collection electronically using TTB’s PONL system.

Collection Instrument	No. of Annual Respondents	No. of Annual Responses (1 per respondent)	Hours per Response	Total Annual Burden Hours
PONL	8,500	8,500	1.0 hour	8,500 hours
Paper (F 5100.24)	2,025	2,025	1.5 hours	3,038 hours
Totals	10,525	10,525	(avg. 1.0962 hours)	11,538 hours

* 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 = \$30.50*² (One annual response per respondent)				
Collection Instrument	Avg. Time per Response	Labor Cost per Response & Respondent	Total Responses	Total Labor Costs
PONL	1.0 hour	\$30.50	8,500	\$259,250.00
TTB F 5100.24	1.5 hours	\$45.75	2,025	\$96,643.75
TOTALS:	(avg.1.0962 hours)	(avg. \$33.4341)	10,525	\$351,893.75

* Labor costs rounded to the nearest whole cent unless otherwise noted.

Respondent Record Retention: The TTB regulations at 27 CFR 1.58 require FAA Act basic permit holders to maintain the permit at the place of business covered by the permit, and to make that permit available to the appropriate TTB officer upon request. The TTB regulations do not require respondents to retain a record copy of FAA Act basic permit applications as TTB retains such applications submitted on paper or electronically in its PONL system.

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 start-up, capital, or ongoing costs to respondents for this information collection. Respondents apply for new FAA Act basic permits only on an as-needed basis, such as when beginning business or changes in ownership or control occur, and most required information concerning the business is readily available to applicants.

As for postage and mailing supply costs, TTB estimates that the 2,025 respondents who submit paper applications have no more than \$10.00 in such costs for one annual response, resulting in a total of \$20,250.00 in such costs per year.

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

TTB estimates its annual labor costs for this information collection as follows:

**Labor Costs for Personnel at TTB's National Revenue Center in Cincinnati, Ohio,
for OMB No. 1513-0018***

² Fully-loaded Labor Rate = Hourly wage rate + benefit costs. For the private sector, this is calculated as hourly wages 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 \$30.50 (\$21.18 in wages plus \$9.32 in benefit costs). See the BLS website at https://www.bls.gov/oes/current/naics3_312000.htm.

Position	Fully-loaded Labor Rate/Hour ³	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$32.45	0.25 hour	\$8.11	10,525	\$85,357.75
GS-11, Step 5, Specialist	\$59.50	0.75 hour	\$44.63		\$469,730.75
Totals	(avg. \$52.74)	1.0 hour	\$52.74	10,525	\$555,088.50

* Fully-loaded labor costs rounded to the nearest whole cent.

In addition, TTB estimates that it has \$1.00 in overhead costs for each new FAA Act basic permit application submitted, for a total of \$10,525.00 in such costs. However, government printing and distribution costs have decreased to \$0.00 in due to the use of the PONL system and the public availability of TTB’s forms on its website’s forms page at <https://www.ttb.gov/forms>.

As such, total cost to the Federal Government for this information collection is \$565,613.50 (labor costs plus overhead costs).

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

There are no program changes associated with this information collection at this time. As for adjustments, TTB is increasing the total number of annual respondents, responses, and burden hours associated with it due to changes in agency estimates resulting from continued growth in the number of alcohol beverage industry members in the United States.

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

To comply with the Freedom of Information Act’s requirement to make frequently requested and released records publically available, TTB publishes lists of FAA Act basic permit holders on its website at <https://www.ttb.gov/foia/list-of-permittees>. These lists include distilled spirits producers and bottlers, permit holders in Puerto Rico, and, wine producers, alcohol importers, and alcohol wholesalers listed by State. These lists contain each business’s basic permit number, its business name(s), and the address of the permitted premises.

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?*

³ Federal Government Fully-loaded Labor Rate = Hourly wage rate x 1.63 to account for benefit costs. Per the most recent Office of Personnel Management (OPM) Federal hourly wage data, the fully-loaded labor rates for the Cincinnati, Ohio, wage area are: (1) GS-6, step 5, employee = \$36.17 (\$22.19 in wages plus \$13.98 in benefit costs); and (2) GS-11, step 5 = \$59.50/hour (\$36.50 in wages plus \$23.00 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.

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 request on form TTB F 5100.24 and its PONL equivalents. By not displaying that date on those items, TTB will not have to update that form and its electronic equivalents each time OMB reapproves this information collection request. 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 paper 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.