

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 Alcohol Exports (TTB REC 5170/7).**

Changes Since Last Approval

Changes made to the Supporting Statement since this information collection's last approval:

- For consistency with other information collection titles, TTB is revising the title of this information collection from "Alternate Methods or Procedures and Emergency Variations from Requirements for Exports of Liquors" to "Alternate Methods or Procedures and Emergency Variations from Requirements for Alcohol Exports."
- Throughout this Supporting Statement, TTB is making minor editorial and grammatical changes for clarity.
- In Question 12, due to changes in agency estimates, TTB is revising the estimated per-respondent and total annual burden associated with this collection, providing an estimate of respondent labor costs, and noting the related recordkeeping requirement.
- In Question 13, TTB is providing an estimate of respondent non-labor costs for this collection.
- In Question 14, TTB is providing a more detailed estimate of its costs for this collection.
- In Question 15, TTB is explaining the adjustments to the burden noted in Question 12.

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, processed tobacco, and cigarette papers and tubes), and sections 4181-4182 (firearms and ammunition excise taxes) of the Internal Revenue Code of 1986 (IRC, 26 U.S.C.). TTB administers those IRC provisions 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 IRC administrative and enforcement authorities to TTB through Treasury Order 120-01.

The IRC, in chapter 51 and at 26 U.S.C. 7805, authorizes the Secretary to issue regulations to implement its provisions. Under those authorities, TTB has issued regulations in 27 CFR

part 28, which, among other things, prescribe certain methods and procedures and certain recordkeeping and reporting requirements related to the exportation of alcohol products from the United States. Specific to this collection, the TTB regulations at 27 CFR 28.20 allow alcohol exporters to apply for TTB approval of alternate methods or procedures to, or emergency variances from, the requirements of that part, other than the giving of a bond or payment of tax. Applicants must receive TTB approval before using the proposed alternative or variance, which may be withdrawn under certain circumstances, including jeopardy to the revenue.

This collection provides alcohol exporters with operational flexibility and allows them to meet emergency circumstances. TTB review of the required applications allows it to determine that the proposed alternative or variance would not jeopardize the revenue, be contrary to law, or unduly hinder administration of the relevant regulations.

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?

Alcohol exporters use the applications required under this collection to meet operational needs and emergency situations. TTB uses the collected information to determine if the proposed alternative or variance would jeopardize the revenue, be contrary to law, or unduly hinder administration of its alcohol exportation regulations.

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 does not believe that this information collection, which consists of unique letterhead applications filed by alcohol 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 compliance 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?

TTB cannot reduce or waive the requirements of this information collection merely because a respondent is a small business, as this collection is necessary to ensure that proposed alternate methods or procedures to, and emergency variances from, the requirements of 27 CFR part 28 will protect the revenue, ensure lawful operations, and support effective

administration of TTB's alcohol export regulations. However, TTB notes that this collection allows respondents, including small businesses, operational flexibility as they may apply for approval of alternatives to, and emergency variations from, the requirements of the alcohol export regulations, which may be less burdensome than those prescribed.

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 submit the applications required under this information collection only as often as they deem necessary, and, as such, it cannot be conducted less frequently. If TTB did not conduct this collection, alcohol exporters would lose operational flexibility as they would not be able to obtain timely TTB approval of alternatives to, or emergency variances from, the alcohol beverage export regulations in 27 CFR part 28. Without this information collection, TTB could approve such alternatives and variances only 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? (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 May 3, 2022, at 87 FR 26261. 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 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 such disclosure. 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 request 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?

Estimated Burden Hours: Based on recent data, TTB estimates that, annually, there are 230 respondents to this collection, with each making one response, resulting in 230 total responses to this collection. TTB further estimates that each response takes 30 minutes to complete, resulting in a total estimated annual burden for this collection of 115 hours.

Estimated Respondent Labor Costs: Based on the average fully-loaded labor rate of \$49.62 per hour for compliance officers employed in the beverage manufacturing industry, TTB estimates the per-respondent and total respondent labor costs for this information collection as follows:¹

Respondent Labor Costs for OMB No. 1513-0082 (Beverage Industry Compliance Officers — Average Fully-Loaded Labor Rate = \$45.24/hour*)					
Avg. Time per Response	Fully-loaded Labor Rate per Response	Responses per Respondent	Labor Costs per Respondent	Total Responses	Total Labor Costs
30 minutes (0.5 hour)	\$22.62	1 (one)	\$22.62	230	\$5,202.60

* The fully-loaded labor rates and respondent labor costs are rounded to the nearest whole cent.

Recordkeeping: Respondents retain a copy of the TTB approval of a proposed alternate method or procedure or emergency variance for as long as they use that method, procedure, or variance. Under 27 CFR 28.45, all such records must be readily available for TTB inspection during normal business 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 do not have any non-labor costs for this occasional, as-needed information collection, other than mailing supply and postage costs. As such, TTB estimates that each respondent has no more than \$2.00 in such costs for their one annual response, resulting in a total of \$460.00 in such costs for this collection's 230 annual responses.

¹ Private Sector Fully-loaded Labor Rate = Hourly wage rate multiplied by 1.44 to account for employee 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 fully-loaded labor rate for Compliance Officers is \$45.24/hour (\$31.42/hour wage + \$13.82 benefit costs). See the BLS website at https://www.bls.gov/oes/current/naics4_312100.htm.

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

General costs: There are no printing, distribution, or other overhead costs to TTB for this information collection, which consists of respondent-generated letterhead applications. However, TTB replies to each submitted application via U.S. mail, with each response costing no more than \$2.00 in mailing supply and postage costs. As such, TTB estimates its non-labor costs for this collection to be \$460.00 for its 230 annual replies.

Labor costs: 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. 1513-0082					
Position	Fully-loaded Labor Rate per Hour ²	Processing Time per Response	Labor Costs per Response	Total Responses	Total TTB Labor Costs
GS-5, Step 5, Clerk	\$33.27	0.5 hour	\$16.64	230	\$3,827.20
GS-12, Step 5, Supervisor	\$73.12	1.5 hours	\$109.68		\$25,226.40
TOTALS	(\$63.16)	2 hours	\$126.32	230	\$29,053.60

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

Total Costs: Given its general and labor costs, TTB estimates the total cost to the Federal government for this information collection to be **\$29,513.60**.

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, due to changes in agency estimates, TTB is decreasing the per-respondent burden, from 36 minutes per response—divided between 24 minutes of reporting and 12 minutes of recordkeeping—to 30 minutes for reporting. This per-respondent burden estimate is consistent with other approved TTB letterhead application requirements. That per-respondent burden decrease results in a decrease of this collection's estimated total annual burden, from 138 hours to 115. TTB notes that this information collection consists of letterhead applications submitted to TTB, and, as such, this collection is a reporting requirement. While respondents keep a copy of any approved letterhead application returned to them by TTB, the Bureau believes that maintaining an occasional approved application under this collection requirement is minimal and imposes no measurable burden on respondents.

² 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) hourly wage data, the fully-loaded labor rates for Federal employees in the Cincinnati, Ohio, wage area are: (1) \$33.27 for GS-5 (step 5), and (2) \$73.12 for a GS-12 (step 5). See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/CIN_h.pdf.

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 occasional, respondent-generated letterhead applications submitted to TTB. As such, there is no medium for TTB to display this collection's 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.
- (i) No statistics are involved.
- (j) See item 3 above.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.