

DEPARTMENT OF THE TREASURY

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

Supporting Statement -- Information Collection Request

OMB Control Number 1513-0085

**Principal Place of Business Address and Place of Production Coding on
Beer and Malt Beverage Labels, TTB REC 5130/5**

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.

Pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d), 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, as amended (IRC, 26 U.S.C.), as well as the Federal Alcohol Administration Act (FAA Act, 27 U.S.C. chapter 8), which, among other things, regulates the labeling and advertising of alcohol beverages introduced into interstate or foreign commerce. In addition, the Secretary of the Treasury (the Secretary) has delegated certain IRC and FAA Act administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

As provided by the IRC at 26 U.S.C. 5412 and the FAA Act at 27 U.S.C. 205(e), domestic beer may be removed from a brewery for sale or consumption only if labeled in conformity with regulations issued by the Secretary. Under those authorities, the TTB regulations at 27 CFR 7.25, 25.141, 25.142, and 25.143 require the brewer's name or trade name and the place of production (city and, if necessary for identification, State) to appear on domestic beer containers (barrels, kegs, cases, bottles, and cans) or their labels.¹

Specific to this information collection, if a brewer operates more than one brewery, those TTB regulations give the brewer three options for disclosing the place of production on a beer's label: (1) The label may show the name and address of the brewery where the beer is produced, (2) the label may show the addresses of all the breweries operated by the brewer, or (3) the label may show the brewer's "principal place of business" (city and State). In the case of the last two options, the TTB regulations also require the brewer to indicate the beer's actual place of production by putting coding or other markings on the beer's label that will permit TTB to determine the beer's actual place of production.

¹ For the purposes of this document: (1) The term "beer" includes malt beverages; (2) the terms "brewer" and "brewery" include bottlers and packers; (3) the term "place of production" includes the place where bottled or packed; and (4) the term "label" includes the placing of any brands, marks, or labels on beer containers, or the brands, marks, and labels placed on beer containers, as the case may be.

The second and third options above allow a brewer to use a single label for a beer produced at multiple breweries, rather than having to design and produce multiple labels for the same beer or design and produce new labels every time that they acquire, build, close, or sell a brewery. This labeling option also benefits brewers and TTB by reducing the number of certificate of label approval (COLA) applications that multi-plant brewers must submit to TTB. Further, requiring place of production coding on beers produced at multiple breweries protects the revenue by allowing TTB to verify excise tax claims made by a brewer for the loss or destruction of beer. In addition, TTB's requirement for such coding on beer labels protects the public by allowing brewers, government agencies, distributors, retailers, and consumers to readily identify adulterated or recalled products.

This information collection is aligned with —

- Line of Business/Sub-function: Law Enforcement/Substance Control.
- IT Investment: None.

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

To protect the revenue, TTB uses the brewer's name and place of production information placed on beer labels to verify excise tax claims for the loss or destruction of beer. To protect the public, TTB, other government agencies, brewers, distributors, and retailers use the information required under this collection to identify adulterated and recalled beers. Consumers also may use a beer's label information regarding the brewer's identity and the beer's place of production when selecting beers they buy, and consumers may use the required information to identify any adulterated or recalled beers that they may possess.

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?

The brewer and place of production information required under this collection are third-party disclosures made on beer labels. Brewers may use automated, electronic, mechanical, or other technologies as they see fit to apply the required information to beer labels.

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 brewer and place of production information placed on beer labels are unique to each multi-plant brewer and the breweries they control. As such, TTB believes this information is not available elsewhere to TTB, other government agencies, distributors, retailers, and consumers.

5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?

While required by the TTB regulations, disclosure on a beer label of the brewer's name and address is a usual and customary practice undertaken by brewers during the normal course of business in order to identify their products to consumers. As such, the disclosure of the

information required under this collection on beer labels is not susceptible to reduced requirements for small businesses as it is necessary to protect the revenue and to protect the public in cases of adulterated or recalled products.

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 disclosure of a brewer's name and place of production on beer labels is necessary for TTB to protect the revenue and to protect the public. To protect the revenue, the identification of a beer's producing brewer and brewery on its label allows TTB to verify a brewer's excise tax claims for the loss or destruction of beer. To protect the public, the required information is essential to identify beer that has been adulterated or recalled.

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 May 7, 2020, beginning at 85 FR 27272. 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?*

As a third-party disclosure made to the general public on beer labels, there is no assurance of confidentiality associated with this information collection.

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.*

There are no questions of a sensitive nature associated with this information collection. In addition, the required disclosures made on beer labels do not collect personally identifiable information (PII) in a government electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this information collection.

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

Based on recent data, TTB currently estimates that it regulates 430 multi-plant brewers who control a total of 1,110 breweries (for an average of 2.581 breweries per multi-plant brewer). As a result, TTB estimates that there are 430 respondents to this third-party disclosure information collection requirement, with each respondent making an average of 2.581 responses per year, for a total of 1,110 annual responses to this information collection.

However, because brewers identify themselves and a beer's place of production on the beer's label as a usual and customary practice undertaken during the normal course of business, even without the TTB regulatory requirements to do so, there are no annual burden hours associated with this information collection in accordance with the OMB regulations at 5 CFR 1320.3(b)(2). Also, for the same reason, there are no respondent labor costs associated with this information collection. Additionally, there is no retention period prescribed for this information collection since it involves the third-party disclosure of information to the general public through the labeling of beer containers.

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)?

This information collection consists of usual and customary information that a brewer discloses on beer labels during the normal course of business. Therefore, there are no annualized costs to respondents associated with this information collection.

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

There are no annualized costs to the Federal Government associated with this information collection, which consists of usual and customary information disclosed by brewers on beer labels.

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

There are no program changes associated with this information collection, and TTB is submitting it for extension purposes only. As for adjustments, TTB is removing the one hour of annual burden previously reported for this information collection as a place holder since, under the OMB regulations at 5 CFR 1320.3(b)(2), regulatory requirements to related to usual and customary businesses practices, such as labeling a consumer product with the name and address of its producer and its place of production, place no annual burden on respondents.

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

This disclosure to the public of a brewer's name and place of production for their beers on their product labels is a usual and customary business practice undertaken by brewers regardless of any TTB regulatory requirement to disclose such information on beer labels.

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?*

This information collection consists of the brewer's name and place of production information disclosed by brewers on the labels of their beers. As such, there is no TTB-prescribed medium on which it could 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.

B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methods.