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## **DEPARTMENT OF THE TREASURY**

### **Alcohol and Tobacco Tax and Trade Bureau**

**27 CFR Parts 19, 26, 27, and 73**

**[Docket No. TTB–2014–0004; T.D. TTB–119]**

**RIN: 1513–AB97**

### **Electronic Submission of Forms, the Finished Products Records for Distilled Spirits Plants, and Closures on Certain Distilled Spirits Products**

**AGENCY:** Alcohol and Tobacco Tax and Trade Bureau, Treasury.

**ACTION:** Direct final rule; Treasury decision.

**SUMMARY:** The Alcohol and Tobacco Tax and Trade Bureau (TTB) is amending its regulations regarding the electronic submission of forms to provide for the electronic submission to TTB of copies of certain forms, where the original is to be retained by the submitter along with other records. This amendment removes a barrier that industry members have faced when trying to apply for permits completely by electronic means. TTB is also amending its regulations to address circumstances where TTB requires certain information to be submitted to other agencies. Specifically, the amendments provide that TTB requirements for information to be submitted to another agency may be met by the electronic submission of the information, as long as the other agency has provided for such a submission of information by electronic means.

In addition, TTB is amending its regulations governing the records that distilled spirits plant (DSP) proprietors must keep of finished products.

Specifically, TTB is removing the requirement that DSP proprietors keep a daily summary record of the kind of distilled spirits bottled or packaged.

Finally, TTB is amending its regulations regarding closures that must be affixed to containers of imported distilled spirits products or of such products brought into the United States from Puerto Rico or the Virgin Islands. The amendments remove a requirement that a part of the closure remain attached to the container when opened. This amendment will align the regulations for such products with those applicable to domestic distilled spirits products.

**DATES:** *Effective date:* [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Kate M. Bresnahan, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, at 202-453-1039, ext. 151.

## **SUPPLEMENTARY INFORMATION**

### **Background**

#### TTB Authority

The Internal Revenue Code of 1986, as amended (IRC), at 26 U.S.C. chapters 51 and 52, provides for the regulation of certain alcohol- and tobacco-related businesses. In addition, the Federal Alcohol Administration Act (FAA Act), at 27 U.S.C. chapter 8, provides for the regulation of certain operations of beverage alcohol businesses. Chapters 51 and 52 of the IRC and sections 103

and 104 of the FAA Act (27 U.S.C. 203 and 204) vest the Secretary of the Treasury with authority to prescribe regulations related to the issuance of permits, registrations, and notices for such businesses. The IRC provisions also include requirements for persons operating in certain alcohol and tobacco industries to obtain bonds and to submit reports and other documents related to regulated operations. In addition, section 4222 of the IRC (26 U.S.C. 4222) establishes registration requirements for persons who make tax-free sales of firearms and ammunition.

The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers these provisions, pursuant to section 1111(d) of the Homeland Security Act of 2002, codified at 6 U.S.C. 531(d). The Secretary has delegated various authorities through Treasury Department Order 120-01 (Revised), dated December 10, 2013, to the TTB Administrator to perform the functions and duties in administration and enforcement of these laws.

#### Electronic Submission of Forms and Use of Electronic Signatures on Forms

TTB regulations implementing the permit, registration, and notice requirements of the IRC and the FAA Act are promulgated in chapter I of title 27 of the Code of Federal Regulations (27 CFR chapter I). These regulations require certain current and prospective industry members to obtain approval before commencing a new TTB-regulated industry operation and to update permit information for an existing TTB-regulated business. These regulations also require that certain forms, reports, and other documents be submitted to TTB, depending on the operation. These documents may include operational

reports, bonds, and powers of attorney, where applicable. In addition, some provisions require that the regulated industry members submit documents to other agencies. For example, provisions relating to the importation of the regulated commodities require that, in some circumstances, documents must be submitted to U.S. Customs and Border Protection (CBP) during the entry process.

The TTB regulations currently implementing those requirements generally provide for the submission to TTB of applications and other documents in paper form. Under certain conditions, forms may be submitted electronically through an electronic document receiving system. The electronic submission of forms to TTB is governed by the TTB regulations at part 73 (27 CFR part 73). Part 73 sets forth the conditions under which TTB will allow current and prospective industry members to submit forms to TTB electronically, and to use electronic signatures or digital signatures to sign those forms, in lieu of submitting paper forms with handwritten signatures. These regulations do not currently address the electronic submission of TTB-required forms and documents to other agencies.

Pursuant to the TTB regulations at 27 CFR 73.31, TTB-regulated industry members may submit an electronic form instead of a paper form to satisfy any reporting requirement in chapter I of Title 27 CFR under certain conditions. Currently, the conditions are as follows: (1) TTB has published a notice in the **Federal Register** and on its Web site (<http://www.ttb.gov>) announcing that it is prepared to receive a particular form electronically; (2) the person required to

submit the form has registered to do so, pursuant to the instructions in that notice; (3) that person submits the electronic form to an electronic document receiving system that TTB has designated for the receipt of that specific form; and (4) the electronic form bears valid electronic signatures, as provided in subpart B of part 73, to the same extent that the paper form for which it substitutes would bear handwritten signatures.

*Amendments to Part 73*

Recently, TTB has facilitated electronic communications and transactions in many ways. For example, TTB has made a number of electronic document receiving systems available to industry members. These secure, web-based applications include: Permits Online, which allows members of the alcohol, tobacco, and firearms and ammunition industries to submit electronically original and amended applications to operate TTB-regulated businesses and to make tax-free sales of firearms and ammunition; COLAs Online, which allows industry members to submit electronically applications for certificates of label approval for alcohol beverages; and Formulas Online, which electronically accepts applications for approval of beverage and non-beverage alcohol product formulas.

Through these systems and other Web-based means, current and prospective industry members may fill out applications and related forms online by answering a set of questions that mirror those on the hardcopy forms, by inserting the information requested into an electronic image of a form, or by uploading copies of forms and other documents. The amendments to part 73

that are made in this rulemaking are intended to facilitate all of these ways of electronically submitting forms and information to TTB.

One type of form specifically addressed by this rulemaking requires the signature of a third party (that is, a party other than (1) the applicant or regulated entity, or (2) TTB). For example, with many types of applications, TTB requires the filing of a bond. When the applicant uses a corporate surety bond to meet this requirement, the original signature of an agent or officer of the surety company may be required on the bond form. In addition, certain TTB regulations require that whenever an agent or an officer executes the bond on behalf of the surety, the bond must be supported by a signed power of attorney authorizing the agent or officer to execute the bond, prepared on the surety's own form, and with the surety company's seal affixed to the form. See, for example, 27 CFR 19.156, 24.150, and 40.401.

Another example of a form requiring third-party signatures is the power of attorney form, TTB F 5000.8, used by current and prospective industry members to designate the person or persons authorized to execute applications, notices, bonds, tax returns, tax information disclosure authorizations, and other instruments on behalf of the industry member, and to act for the industry member in dealing with TTB. Powers of attorney are submitted with many applications for permits or authorizations to operate regulated businesses in order to allow persons other than officers, directors, sole proprietors, partners, or members to sign or speak on behalf of the applicant businesses. See, for example, 27 CFR 1.30, 19.78, and 25.65. This form requires the signatures of not only a person

with authority to execute the power of attorney on behalf of the industry member, but also the person designated as the industry member's attorney in fact, as well as either the signature of a notary or the signatures of two disinterested witnesses.

Because some required forms must be signed by third parties, and because these third parties are not authorized to, and do not currently have the means to, sign the forms electronically, these forms cannot, under current regulations, be executed and submitted electronically. As a result, it is not currently possible for many applicants to submit complete applications through electronic means. In such cases, applicants have submitted all other forms electronically through Permits Online and have had to mail separately paper versions of the forms requiring third-party signatures.

To streamline the application process and to enable current and prospective industry members to submit all required application forms electronically, TTB is amending § 73.31 to add two alternatives to the requirement that the form bear a valid electronic signature for every handwritten signature required on the form. The new § 73.31(b) contains three subparagraphs. The first subparagraph restates the current requirement that the form bear a valid electronic signature. The second subparagraph provides that, if the form requires a signature of a person who is not registered to submit the electronic form under § 73.31(a), or if the form requires a corporate seal, a copy of the completed form (bearing all required signatures and seals) may be submitted electronically, along with a certification or acknowledgement that the

copy submitted electronically is an exact copy of the original, and that the original bears signatures of all required parties and any required corporate seal. New § 73.31(b)(2) also provides that if a copy of the completed form bearing all required signatures and seals is submitted electronically, the submitter must maintain the original completed form on the submitter's premises and make it available for inspection by TTB or submission to TTB upon request. If all of these conditions are not met for documents requiring third-party signatures or corporate seals, the submission of such forms electronically will not satisfy the requirements for submission of the forms to TTB.

A third new subparagraph, at § 73.31(b)(3), provides for the electronic submission both of copies of TTB forms that are not available in an electronic format and of documents other than TTB forms that are required to be submitted to TTB. This latter category includes, for example, a commercial document that may be submitted to satisfy a reporting requirement. In effect, this new subparagraph allows the regulated industry to submit electronically copies of a wide range of documents, as long as the copies are submitted along with a certification that the copy is an exact copy of the original, the original is maintained along with any other records required by TTB, and the original is made available or submitted to TTB upon request. This provision would allow industry members to submit a copy of an original document, for example, when required to do so by a TTB representative or by an instruction that appears in the electronic document receiving system.

TTB continues to enhance and upgrade its electronic document receiving systems to improve both functionality and the user experience. The regulatory change set forth in this rulemaking should allow users to take advantage of new functionalities related to the submission of information electronically, as those functionalities are introduced.

In addition to the changes to § 73.31 described above, TTB is removing references in §§ 73.31 and 73.35 to TTB's publishing of certain notices in the **Federal Register**. Specifically, § 73.31 currently states that certain forms will be accepted electronically upon condition that, among other things, TTB has published a notice in the **Federal Register** announcing that it is prepared to receive the particular form electronically. Section 73.35 currently provides that, if the TTB regulations require the keeping of records in paper format, TTB may authorize the keeping of electronic copies of such documents "through a general notice in the FEDERAL REGISTER or through a variance." TTB is now removing both references to **Federal Register** notices to allow greater flexibility for TTB to provide for the use of electronic forms.

This final rule also adds new 27 CFR 73.40 and updates 27 CFR 73.1 to provide that documents required by TTB to be submitted to other agencies may be submitted electronically to those agencies, if the agency authorizes such submission.

Finally, TTB is making technical changes to §§ 73.30, 73.31, 73.33 and 73.34, to make it clear that the provisions regarding electronic submission of

forms cover all forms that must be submitted to TTB, not only those commonly associated with “reporting.”

#### Distilled Spirits Finished Products Records

Section 5207 of the IRC (26 U.S.C. 5207) requires that distilled spirits plant (DSP) proprietors keep records in such form and manner as the Secretary of the Treasury prescribes by regulation, including records of “\* \* \* the kind and quantity of distilled spirits packaged or bottled \* \* \*.” Regulations that implement the provisions of section 5207 of the IRC as they relate to distilled spirits finished products records are set forth in part 19 of title 27 of the Code of Federal Regulations (CFR), at 27 CFR 19.601.

#### *The Part 19 Revision*

On May 8, 2008, TTB published in the **Federal Register** a notice of proposed rulemaking (Notice No. 83, 73 FR 26200), which proposed to revise the DSP regulations contained in 27 CFR part 19. In that notice, TTB stated that it intended to modernize the requirements for operating DSPs and, in effect, remove burdens and make the regulations easier to understand, allowing DSP proprietors to operate more efficiently. As part of this proposed revision, TTB proposed to amend the regulations providing for the maintenance of finished products records by adding a requirement, in new 27 CFR 19.601(a), that DSP proprietors maintain a daily summary record of the kind of finished products bottled or packaged within the processing account at the DSP. The recordkeeping regulations in effect at the time of the proposed rulemaking in Notice No. 83 (then at 27 CFR 19.751) required DSPs to maintain daily summary records of the quantity, but not the kind, of products bottled or packaged.

TTB had believed that this recordkeeping change proposed in Notice No. 83 merely aligned the regulatory text more closely with the statutory provision set forth at 26 U.S.C. 5207(a)(4)(B) and would assist TTB auditors during tax compliance audits, but would not result in any significant additional burden on industry members. DSP proprietors already were required under the existing regulations to maintain records of the kind of distilled spirits bottled or packaged for each lot of spirits bottled or packaged, although not in the form of a daily summary record as proposed in Notice No. 83. See current 27 CFR 19.599, formerly 27 CFR 19.732.

During the comment period for the regulatory changes proposed in Notice No. 83, TTB did not receive any comments addressing the addition of the new requirement to maintain a daily summary record by kind. Accordingly, this requirement was adopted as part of the final rule issued as Treasury Decision (T.D.) TTB-92, published in the **Federal Register** at 76 FR 9080, on February 16, 2011. T.D. TTB-92 became effective on April 18, 2011.

*Subsequent Correspondence Regarding § 19.601*

Shortly after publication of T.D. TTB-92, TTB received a letter, dated April 21, 2011, from both the Distilled Spirits Council of the United States, Inc. (DISCUS) and the Presidents' Forum of the Beverage Alcohol Industry (Presidents' Forum). DISCUS and the Presidents' Forum requested that TTB either provide an industry-wide variance from the new daily summary record by kind requirement, given the Bureau's past success in collecting distilled spirits excise taxes, or issue a formal 18-month extension for compliance with § 19.601,

which would give industry time to develop data systems for the new recordkeeping requirement.

In their April 21 letter, DISCUS and the Presidents' Forum also stated that complying with the new requirement would be expensive for industry. Industry members would need to develop new data systems capable of recording the information necessary to comply. Developing these data systems could cost from \$20,000 to \$50,000 per industry member.

In a letter, dated June 16, 2011, TTB responded to the letter from DISCUS and the Presidents' Forum. In that letter, TTB stated:

While TTB is not authorized to issue a waiver from the provisions of § 19.601, we understand that proprietors may need extra time to comply with the new provisions of the regulation. Accordingly, if a DSP is otherwise compliant with the TTB regulations, TTB will not take adverse action solely on the basis of the failure to have the daily summary as to kind required by § 19.601(a) until October 18, 2012.

After issuing the June 16, 2011 letter, TTB received additional information from DISCUS and the Presidents' Forum indicating that modifications of DSP recordkeeping systems would be more expensive than anticipated. TTB then decided to take regulatory action to amend § 19.601 to remove the requirement that DSPs maintain daily summary records by kind. In a second letter to DISCUS and the Presidents' Forum, dated August 28, 2012, TTB extended the deadline to comply with the provisions of § 19.601(a) regarding the daily summary records by kind for another 18 months, until April 18, 2014.

As previously stated, TTB had not believed that the change in the regulations requiring a daily summary record by the kind of distilled spirits bottled

and packaged would create a significant recordkeeping burden on industry members. During past audits, TTB has been able to determine, on a case-by-case basis from source documents and records, the information that TTB had intended to be included in the daily summary record of the kind of distilled spirits bottled or packaged.

*TTB Determination*

Upon further consideration of this matter, TTB determined that it can continue to effectively administer the chapter 51 provisions without DSP proprietors creating a daily summary record of the kind of distilled spirits bottled and packaged. Accordingly, in this rulemaking, TTB is removing the requirement in § 19.601 that a DSP must maintain such a daily summary record.

Closures on Containers of Distilled Spirits Products Brought into the United States from Puerto Rico or the Virgin Islands or Imported into the United States

Section 5301(d) of the IRC (26 U.S.C. 5301(d)) addresses the closures of containers of distilled spirits. That paragraph states that the immediate container of distilled spirits withdrawn from bonded premises, or from customs custody, on determination of tax shall bear a closure or other device which is designed so as to require breaking in order to gain access to the contents of the container. This requirement does not apply to containers of bulk distilled spirits. In addition to this specific provision, section 7805 of the IRC (26 U.S.C. 7805) provides more general authority to the Secretary of the Treasury to prescribe all “needful rules and regulations” for the enforcement of the IRC.

Regulations that implement the statutory provisions regarding closures on distilled spirits product containers are set forth in part 19 of the TTB regulations

(relating to distilled spirits products removed from domestic DSPs), part 26 (relating to distilled spirits products brought into the United States from Puerto Rico or the Virgin Islands), and part 27 (relating to distilled spirits products imported into the United States) (27 CFR parts 19, 26, and 27).

*Part 19 Revision*

On May 8, 2008, TTB published in the **Federal Register** a notice of proposed rulemaking (NPRM) (Notice No. 83, 73 FR 26200), which proposed to revise the DSP regulations contained in 27 CFR part 19. At the time of that NPRM, the regulations in 27 CFR part 19 required that domestic distilled spirits products having a capacity of one gallon (3.785 liters) or less must have a closure attached to the container, which must be broken in order to access the product, and that a part of the closure must remain attached to the container once it is opened. The same requirement appeared in parts 26 and 27 applicable to distilled spirits products brought into the United States from Puerto Rico or the Virgin Islands and distilled spirits products imported into the United States, respectively. As part of the revision of the part 19 regulations, TTB thoroughly reviewed the regulations with regard to the operation of DSPs in the United States and, in that context, the requirements regarding closures of distilled spirits containers. TTB explained in Notice No. 83 that it was proposing to remove from the part 19 regulations the requirement that a part of the closure remain attached to the container once opened, stating:

In our proposed regulation at § 19.523, we require that the container have a closure that must be broken to gain access to the contents. However, we have deleted the requirement that a portion of the closure remain on the container when opened. The

particular feature of the current regulation is not a requirement of the IRC at 26 U.S.C. 5301(d). Further, we have received several requests for an alternate method or procedure from this particular requirement, and we see no continued need for this feature on the closure.

TTB adopted the proposed change to the part 19 regulations in a final rule (T.D. TTB-92, 76 FR 9080) published in the **Federal Register** on February 16, 2011. T.D. TTB-92 became effective on April 18, 2011. As a result of these actions, closures on domestic distilled spirits products are not required to include a part that remains attached to the container once it is opened. However, because parts 26 and 27 were outside the scope of the rulemaking actions described above, closures on distilled spirits products brought into the United States from Puerto Rico or the Virgin Islands or imported into the United States are still required to include a part that remains attached to the container once it is opened. See 27 CFR 26.136, 26.231, and 27.62.

Since publishing T.D. TTB-92, TTB has received requests from Diageo Americas Supply, Inc. and from DISCUS asking TTB to take action on this issue to provide consistent treatment of all distilled spirits containers.

*TTB Determination*

TTB believes that the same considerations should apply to containers of imported distilled spirits or of such products brought into the United States from Puerto Rico or the Virgin Islands as apply to containers of domestic distilled spirits. As a result, TTB is amending its regulations at §§ 26.136, 26.231, and 27.62, respectively, to remove the requirements that closures on containers of distilled spirits brought into the United States from Puerto Rico or the Virgin

Islands or imported into the United States include a part that remains attached to the container once opened.

### **Regulatory Flexibility Act**

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) do not apply. Pursuant to 26 U.S.C. 7805(f), TTB submitted this final rule to the Chief Counsel for Advocacy of the Small Business Administration (SBA) for comment on the impact of the regulations on small businesses, and TTB received no comments from the SBA on this final rule.

### **Paperwork Reduction Act**

This final rule imposes no new collection of information. The amendments to part 73 merely offer an additional method for submitting required forms to TTB and other agencies and will not result in a substantive or material change to any underlying information collection.

With regard to this final rule's amendment of § 19.601, when TTB had revised part 19 of the TTB regulations in T.D. TTB-92, TTB did not believe that the addition of the requirement that DSPs maintain a daily summary record as to kind would be at all burdensome to industry, as discussed above. Consequently, TTB did not make any change to the information collection associated with § 19.601 (Office of Management and Budget Control Number 1513-0041, which covers recordkeeping requirements at DSPs). Since T.D. TTB-92 became effective, TTB has not enforced the requirement to keep daily summary records for the reasons discussed above, and TTB is now removing this requirement

from § 19.601. Therefore, no change to information collection number 1513–0041 is necessary as a result of this regulatory action.

Finally, amendments to 27 CFR parts 26 and 27 that remove a requirement related to the closures on containers of distilled spirits brought into the United States from Puerto Rico or the Virgin Islands or imported into the United States have the effect of reducing a regulatory burden on industry members and have no bearing on any information collection.

Under the Paperwork Reduction Act, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number.

#### **Executive Order 12866**

It has been determined that this final rule is not a significant regulatory action as defined in Executive Order 12866 of September 30, 1993. Therefore, a regulatory assessment is not necessary.

#### **Prior Notice and Comment Procedures**

TTB is issuing this final rule without notice and prior opportunity for public comment in accordance with section 553(b)(A) of the Administrative Procedure Act (5 U.S.C. 553(b)(A)). This provision authorizes an agency to issue a rule without prior notice and comment when it issues rules of agency procedure. Most of the regulatory changes contained in this final rule amend the manner in which TTB will accept and process various forms required by the TTB regulations. Those changes are procedural because they impact only the method of filing applications and other documents with TTB.

Section 553(b)(B) of the Administrative Procedure Act (5 U.S.C. 553(b)(B)) also authorizes an agency to forgo notice and comment when the agency for good cause finds that those procedures are unnecessary. TTB believes prior notice and comment are unnecessary with respect to all changes contained in this final rule because we expect the affected public will benefit immediately from (1) having an additional option for document submission that facilitates an all-electronic environment as an alternative to hard-copy submission of these forms; (2) the removal of a recordkeeping requirement; and (3) the removal of a regulatory requirement related to the types of closures that must be used on certain containers of distilled spirits. Accordingly, TTB has determined that it is unnecessary to follow prior public notice and comment procedures.

For the reasons set forth above, the 5 U.S.C. 553(b) notice requirement does not apply.

### **Drafting Information**

Kate M. Bresnahan of the Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, drafted this document.

### **List of Subjects**

#### 27 CFR Part 19

Administrative practice and procedure, Alcohol and alcoholic beverages, Authority delegations (Government agencies), Caribbean Basin initiative, Chemicals, Claims, Customs duties and inspection, Electronic filing, Electronic funds transfers, Excise taxes, Exports, Gasohol, Imports, Labeling, Liquors, Packaging and containers, Puerto Rico, Reporting and recordkeeping

requirements, Research, Security measures, Spices and flavorings, Stills, Surety bonds, Transportation, Vinegar, Virgin Islands, Warehouses, Wine.

27 CFR Part 26

Alcohol and alcoholic beverages, Caribbean Basin initiative, Claims, Customs duties and inspection, Electronic filing, Electronic funds transfers, Excise taxes, Packaging and containers, Puerto Rico, Reporting and recordkeeping requirements, Surety bonds, Virgin Islands, Warehouses.

27 CFR Part 27

Alcohol and alcoholic beverages, Beer, Cosmetics, Customs duties and inspection, Electronic filing, Electronic funds transfers, Excise taxes, Imports, Labeling, Liquors, Packaging and containers, Reporting and recordkeeping requirements, Wine.

27 CFR Part 73

Electronic filing, Reporting and recordkeeping requirements.

**Amendments to the Regulations**

For the reasons set forth in the preamble, TTB is amending 27 CFR, chapter I, parts 19, 26, 27, and 73 as follows:

**PART 19—Distilled Spirits Plants**

1. The authority citation for part 19 continues to read as follows:

**Authority:** 19 U.S.C. 81c, 1311; 26 U.S.C. 5001, 5002, 5004–5006, 5008, 5010, 5041, 5061, 5062, 5066, 5081, 5101, 5111–5114, 5121–5124, 5142, 5143, 5146, 5148, 5171–5173, 5175, 5176, 5178–5181, 5201–5204, 5206, 5207, 5211–5215, 5221–5223, 5231, 5232, 5235, 5236, 5241–5243, 5271, 5273, 5301,

5311–5313, 5362, 5370, 5373, 5501–5505, 5551–5555, 5559, 5561, 5562, 5601, 5612, 5682, 6001, 6065, 6109, 6302, 6311, 6676, 6806, 7011, 7510, 7805; 31 U.S.C. 9301, 9303, 9304, 9306.

2. The first sentence of § 19.601(a) is revised to read as follows:

**§ 19.601 Finished products records.**

(a) Bottling and packaging. A proprietor must maintain daily transaction records and a daily summary record of the quantity of finished products bottled or packaged within the processing account at the distilled spirits plant. \* \* \*

\* \* \* \* \*

**PART 26—Liquors and Articles from Puerto Rico and the Virgin Islands**

3. The authority citation for part 26 continues to read as follows:

**Authority:** 19 U.S.C. 81c; 26 U.S.C. 5001, 5007, 5008, 5010, 5041, 5051, 5061, 5111–5114, 5121, 5122–5124, 5131–5132, 5207, 5232, 5271, 5275, 5301, 5314, 5555, 6001, 6301, 6302, 6804, 7101, 7102, 7651, 7652, 7805; 27 U.S.C. 203, 205; 31 U.S.C. 9301, 9303, 9304, 9306.

4. Section 26.136 is revised to read as follows:

**§ 26.136 Affixing closures.**

Each container of distilled spirits having a capacity of one gallon (3.785 liters) or less must have a closure or other device securely affixed to the container. The closure or other device must be constructed in such a manner as to require breaking in order to gain access to the contents of the container.

5. Section 26.231 is revised to read as follows:

**§ 26.231 Affixing closures.**

Each container of distilled spirits having a capacity of one gallon (3.785 liters) or less must have a closure or other device securely affixed to the container. The closure or other device must be constructed in such a manner as to require breaking in order to gain access to the contents of the container.

**PART 27—Importation of Distilled Spirits, Wines, and Beer**

6. The authority citation for part 27 continues to read as follows:

**Authority:** 5 U.S.C. 552(a), 19 U.S.C. 81c, 1202; 26 U.S.C. 5001, 5007, 5008, 5010, 5041, 5051, 5054, 5061, 5121, 5122–5124, 5201, 5205, 5207, 5232, 5273, 5301, 5313, 5555, 6302, 7805.

7. Section 27.62 is revised to read as follows:

**§ 27.62 Affixing closures.**

Each container of imported distilled spirits having a capacity of one gallon (3.785 liters) or less must have a closure or other device securely affixed to the container. The closure or other device must be constructed in such a manner as to require breaking in order to gain access to the contents of the container.

**PART 73—Electronic Signatures; Electronic Submission of Forms**

8. The authority citation for part 73 is revised to read as follows:

**Authority:** 26 U.S.C. 6011(f), 6061(b), 7502(c); 44 U.S.C. 3504 Note.

9. Section 73.1, paragraph (a)(2), is amended by adding the words “or, where applicable, to other agencies” before the period.

10. Section 73.30 is revised to read as follows:

**§ 73.30 What does subpart C cover?**

This subpart provides the conditions under which TTB will allow you to satisfy certain requirements to submit forms in this chapter by submitting forms electronically to TTB.

11. Section 73.31 is revised to read as follows:

**§ 73.31 May I submit forms electronically to TTB?**

Yes; to satisfy any requirement to submit forms in this chapter (including a requirement to submit an original form or copies), you may submit an electronic form or you may submit, by electronic means, a copy of an original form, but only if:

(a) You submit the form through an electronic document receiving system that TTB has designated for the receipt of that specific form and for which you have registered if so required; and

(b) The conditions in any one of the following paragraphs apply:

(1) It is an electronic form that bears valid electronic signatures, as provided in subpart B of this part, to the same extent that the paper submission for which it substitutes would bear handwritten signatures;

(2) It is a copy of an original form that requires the signature of a third party who is not the person required to submit the form (such as a bond form or a power of attorney form) or a corporate seal; you submit the copy of the form electronically along with a certification that the copy is an exact copy of the original; the original bears all signatures of all required parties and any required

corporate seal; and you maintain the original along with any other records required by TTB and make it available or submit it to TTB upon request; or

(3) It is a copy of a TTB form that is not available in an electronic format or it is a document other than a TTB form (that is, other than a document issued by TTB that bears an Office of Management and Budget control number) that is required to be submitted to TTB; you submit the copy electronically along with a certification that the copy is an exact copy of the original; and you maintain the original along with any other records required by TTB and make it available or submit it to TTB upon request.

**12.** Section 73.33 is amended by removing the word “reporting” in the first sentence.

**13.** Section 73.34 is amended by removing the words “your report” and adding in their place the words “the document”.

**14.** Section 73.35 is amended by removing the words “a general notice in the Federal Register or through a variance” in the second sentence and adding in their place the words “an approved alternate method or procedure”.

**15.** New Subpart D is added to read as follows:

**Subpart D—Electronic Filing of Documents with Other Agencies**

**§ 73.40 May I satisfy TTB requirements to submit forms to other agencies by submitting those forms electronically?**

You may satisfy any requirement in the TTB regulations to submit a form to another agency by submitting such form to such agency by electronic means, as long as the agency provides for, and authorizes, the electronic submission of such form and you satisfy any registration or related requirement by that agency for that electronic submission. The submission of a form electronically to another agency does not alter any requirement regarding copies you must maintain.

Signed: November 20, 2013.

**John J. Manfreda,**

Administrator.

Approved: December 18, 2013.

**Timothy E. Skud,**

Deputy Assistant Secretary  
(Tax, Trade and Tariff Policy).

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