

urable infant or toddler products. Under this statutory direction, the Commission published an NPR, Safety Standard for Infant and Infant/Toddler Rockers, to establish a safety standard for rockers to reduce the risk of death and injury associated with these products. 88 FR 73551 (Oct. 26, 2023). The NPR proposes incorporating by reference the 2022 version of the rockers voluntary standard, ASTM F3084–22, *Standard Consumer Safety Specification for Infant and Infant/Toddler Rockers*, with modifications to make the standard more stringent, to further reduce the risk of injury associated with rockers.

On August 22, 2024, the Commission published in the **Federal Register** an additional request for comment and a release of the underlying incident data, titled Safety Standard for Infant and Infant/Toddler Rockers; Supplemental Information; Notice of Availability and Request for Comment (NOA). The NOA sought comment on three items: (1) incorporation of the updated July 2024 version of the voluntary standard for rockers—ASTM F3084–24; (2) incident reports underlying the data discussed in the NPR; and (3) an STL file of the firmness test fixture proposed in the NPR for gauging the firmness of a rocker seat.

B. Request for Comment Period Extension

On September 6, 2024, Lisa Trofe, Executive Director of the Juvenile Products Manufacturers Association (JPMA), on behalf of JPMA's members and three companies that individually co-signed the request, submitted a request for a 90-day extension of the NOA comment period (JPMA request).¹ The JPMA request asserts that the 30-day comment period is insufficient for stakeholders to provide meaningful feedback on the NOA and complete dataset because when first available on August 22, 2024, the STL file and underlying data was only viewable and not downloadable, and some documents did not become available for review until August 28.

¹ JPMA's request has been placed on the docket for this rulemaking, as well as attached as to Staff's September 17, 2024, Briefing Memorandum: Safety Standard for Infant and Infant/Toddler Rockers; Supplemental Information; Notice of Availability and Request for Comment; Extension of Comment Period, available at: <https://www.cpsc.gov/s3fs-public/Safety-Standard-for-Infant-and-Infant-Toddler-Rockers-Notice-of-Availability-and-Request-for-Comment.pdf?VersionId=VKfNRsEI29yqGgHoacfb0MEMIhum5J5L>.

² On September 19, 2024, the Commission voted (4–1) to publish this notice.

C. Assessment of the JPMA Request

CPSC's practice is to make available the underlying incident data that it is legally authorized to publicize. Stakeholders are currently able to review all underlying incident data that supports the NPR and submit comments on that data; therefore, there is no need for stakeholders to download the underlying incident data. The Commission agrees, though, that stakeholders may benefit from additional time to review the complete underlying incident dataset because some of the data became reviewable on August 28, 2024, rather than August 22 as intended. Further, CPSC agrees with JPMA that the STL file is difficult to evaluate without downloading it, and that this file was not downloadable until September 9, 2024.

An *additional* 90 days, totaling 4 months (30 days plus 90 days), is unnecessary to assess the STL file and incident data, and provide feedback. However, CPSC is reopening the comment period for an extension of 45 days from the closing date of September 23, 2024. This reopening provides commenters not only additional time to review incident data, but also, in the assessment of CPSC's technical staff, ample time to manufacture, test, and comment on the firmness test fixture proposed in the NPR and described in the STL file.

D. Conclusion

The Commission has considered JPMA's request to reopen the comment period and staff's assessment of the request. The comment period closed on September 23, 2024. To provide additional time for stakeholders to comment on the NOA, the Commission is reopening the comment period for an additional 45-days until November 7, 2024.

Alberta E. Mills,

Secretary, Consumer Product Safety Commission.

[FR Doc. 2024–22062 Filed 10–1–24; 8:45 am]

BILLING CODE 6355–01–P

DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 24

[Docket No. TTB–2024–0005; Notice No. 234]

RIN 1513–AC47

Modernization of Permit Application Requirements for Wine Premises

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

ACTION: Notice of proposed rulemaking.

SUMMARY: In this notice of proposed rulemaking, the Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes deregulatory amendments to its regulations to modernize and streamline the application requirements for wine premises. The proposed amendments also relax some reporting requirements associated with changes to the business of proprietors of wine premises. The proposed amendments are a result of TTB's evaluation of its permit and registration application requirements and consideration of relevant public comments submitted to the Treasury Department in response to its request for recommendations concerning regulations that can be eliminated, modified, or streamlined to reduce burdens. TTB believes the amendments proposed in this document will significantly reduce the time needed to complete an application to establish and operate wine premises.

DATES: Comments must be received on or before December 2, 2024.

ADDRESSES: You may electronically submit comments to TTB on this proposal, and view copies of this document, its supporting materials, and any comments TTB receives on it within Docket No. TTB–2024–0005 as posted at <https://www.regulations.gov>. A direct link to that docket is available on the TTB website at <https://www.ttb.gov/wine/notices-of-proposed-rulemaking> under Notice No. 234. Alternatively, you may submit comments via postal mail to the Director, Regulations and Ruling Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005. Please see the Public Participation section of this document for further information on the comments requested regarding this proposal and on the submission, confidentiality, and public disclosure of comments.

FOR FURTHER INFORMATION CONTACT: Christopher Forster-Smith, Regulations and Rulings Division, Alcohol and

Tobacco Tax and Trade Bureau, 1310 G Street NW, Box 12, Washington, DC 20005; telephone (202) 453-1039, extension 150.

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I. Background

A. TTB Evaluation of Permit and Registration Application Requirements

In fiscal year 2017, the Alcohol and Tobacco Tax and Trade Bureau (TTB) began an evaluation of the information TTB collects from applicants for permit and registration applications. The purpose was to identify ways to streamline the application process, reduce burden on the regulated industry, and ensure that the process collects only information that is necessary to meet the agency's statutory obligations. TTB's general approach was to identify information being collected that could be eliminated without hindering TTB's ability to evaluate an applicant's qualifications and to more narrowly focus the application questions to capture only information that is necessary for that purpose. Additionally, TTB considered whether applicants made any types of requests that TTB routinely approved such that it might be reasonable to amend the regulations to remove the need for such requests.

During this same period, on June 14, 2017, the Treasury Department (Treasury) published in the **Federal Register** (82 FR 27217) a Request for Information inviting members of the public to submit views and recommendations for Treasury regulations that can be eliminated, modified, or streamlined to reduce burdens. TTB reviewed comments

received in response to this request and identified proposals that related to starting a new business in a TTB-regulated industry, including the qualification process.

Through TTB's internal evaluation and consideration of the public input, TTB has identified deregulatory actions that TTB can take by amending regulations and also, where rulemaking is not required, by amending guidance and forms. While this document addresses wine premises, TTB is engaging in further rulemaking to address other regulated industries within the context of their respective statutory eligibility requirements. Specifically, TTB has already published rulemaking concerning the Internal Revenue Code (IRC) permit and registration application requirements for distilled spirits plants (and users and dealers of specially denatured alcohol and tax-free alcohol) and application requirements for Federal Alcohol Administration Act (FAA Act) basic permits (which are submitted by prospective wine producers and blenders, alcohol beverage importers and wholesalers, and beverage distilled spirits plants). See Notice No. 207, published in the **Federal Register** on December 3, 2021, at 86 FR 68573, as well as rulemaking concerning Brewer's Notices filed with TTB under the IRC (Notice No. 212, published in the **Federal Register** on June 8, 2022, at 87 FR 34819).

With respect to wine premises, this document proposes to amend the regulations to reduce regulatory burden, increase industry flexibility, and eliminate or narrow the range of information that applicants must submit to TTB consistent with TTB's statutory obligations under the IRC. The proposed amendments include:

- Eliminating requirements to provide narrative descriptions of certain operations when applying to establish a wine premises.
- More narrowly tailoring requirements to describe the wine premises to specifically correspond with statutory requirements, and consolidating requirements to provide descriptions of alternation operations as part of the general wine premises description.
- Extending deadlines for reporting certain changes in the business from 30 days to 60 days.
- Allowing proprietors of wine premises to use new trade names by notifying TTB in lieu of filing an amended application.
- Allowing proprietors of wine premises to maintain required records at a location other than the permitted

premises without first obtaining TTB approval.

Section II of this document includes more in-depth discussion of the proposed amendments.

As noted above, TTB's deregulatory strategy also includes streamlining its guidance and forms. TTB is concurrently engaged in a multiyear initiative to develop and deploy "myTTB," a single, online interface for all industry transactions with TTB, including qualification, label approval, and formula applications, as well as tax filings, payments, and claims. When complete, myTTB will provide both industry and TTB with online access to each industry member's records, approvals, and filings, in a single system. With the use of myTTB, and the planned implementation of these newly streamlined requirements within myTTB, the bureau anticipates significant improvements to a permit applicant's user experience and corresponding reductions in burden.

B. TTB Authority

The Federal Alcohol Administration Act (FAA Act, 27 U.S.C. 201, *et seq.*) and chapter 51 of the IRC, 26 U.S.C. chapter 51, require persons intending to engage in certain wine-related businesses to obtain a permit and/or permission to operate from the Secretary of the Treasury (Secretary) before beginning operations. Many proprietors of wine premises engage in operations that require both an approved permit application under the FAA Act and an approved application for a registry number under the IRC. As noted above, TTB has already published rulemaking proposing amendments to application requirements for FAA Act basic permit holders, which includes proprietors of bonded wine premises (see Notice No. 207, published in the **Federal Register** on December 3, 2021, at 86 FR 68573). The amendments proposed in this document relate to the application requirements to establish and operate wine premises under the IRC, including requirements to report certain changes in the regulated businesses.

The IRC requires that any person establishing premises for the production, blending, cellar treatment, storage, bottling, packaging, or repackaging of untaxed wine must, before commencing operations, make application to the Secretary, file a bond (subject to certain exceptions), and receive permission to operate. See 26 U.S.C. 5351. Additionally, the IRC requires that any person bottling, packaging, or repackaging taxpaid wines must, before commencing operations, make application to the Secretary and

receive permission to operate. See 26 U.S.C. 5352. Further, applications must disclose, as specified in regulations issued by the Secretary, such information as may be necessary to enable the Secretary to determine the location and extent of the premises, the type of operations to be conducted on such premises, and whether the operations will be in conformity with law and regulations. See 26 U.S.C. 5356. The IRC also requires that bonded wine premises, including any noncontiguous portions, must be located, constructed, and equipped to protect the revenue, in accordance with regulations prescribed by the Secretary. See 26 U.S.C. 5357.

Chapter 51 also imposes requirements governing the operations of bonded and taxpaid wine premises, including a requirement that proprietors keep records and file reports in the form and manner prescribed by regulation. See 26 U.S.C. 5367. In addition, section 7805(a) of the IRC generally authorizes the Secretary to issue regulations to carry out the provisions of the IRC. See 26 U.S.C. 7805(a).

TTB administers these IRC and FAA Act provisions pursuant to section 1111(d) of the Homeland Security Act of 2002, as codified at 6 U.S.C. 531(d). The Secretary has also delegated certain administrative and enforcement authorities to TTB through Treasury Order 120–01, including the authority to prescribe and evaluate applications to establish and operate wine premises covered under this rulemaking.

Pursuant to its delegated IRC authorities, TTB has promulgated regulations setting forth the application requirements for wine premises at 27 CFR part 24. TTB's regulations at 27 CFR 24.105 through 24.117 set forth the requirements for the qualifying documents that proprietors of wine premises must submit to TTB, including form TTB F 5120.25, Application to Establish and Operate Wine Premises (application). A bonded winery, bonded wine cellar, or taxpaid wine bottling house may not commence operations until the proprietor has a valid approved application for the operations. See 27 CFR 24.105. The electronic version of the application form, TTB F 5120.25, is available through the TTB Permits Online (PONL) system. In this document, TTB proposes amendments to the regulations specifying the information proprietors of wine premises must provide on form TTB F 5120.25 or its electronic equivalent, as well as in certain supporting documents.

Pursuant to TTB's IRC authorities described above, TTB has also promulgated regulations imposing

procedural and substantive requirements on proprietors of wine premises. TTB regulations at 27 CFR 24.120 through 24.132 require proprietors of wine premises to report certain changes in the business affecting the current approved application (*e.g.*, changes in address or location, changes in stockholders or corporate officers, changes in proprietorship). In addition, regulations at 27 CFR 24.300 through 24.323 include recordkeeping requirements, as authorized by the IRC at 26 U.S.C. 5367.

This notice of proposed rulemaking includes proposed amendments to these reporting and recordkeeping requirements. With respect to current reporting requirements, in instances where TTB's regulations refer to submitting a "letterhead notice," industry members may provide such letterhead notices electronically. Unlike the proprietor's initial submission of qualifying documents, these letterhead notices do not require TTB approval. TTB is proposing an amendment to 27 CFR 24.10 to add a definition of "letterhead notice" to clarify these points.

C. Relationship to Other Notices of Proposed Rulemaking

TTB previously published a notice of proposed rulemaking titled "Modernization of Permit and Registration Application Requirements for Distilled Spirits Plants," in which TTB proposed amendments, generally similar to those proposed in this document, in 27 CFR parts 1, 17, 19, 20, 22, 26, 27, 28, and 31. Amendments related to FAA Act basic permits—including basic permits as producers, blenders, importers, and wholesalers of wine—were included in that document and are not included in this document. See Notice No. 207, published in the **Federal Register** on December 3, 2021, at 86 FR 68573. TTB also previously published a notice of proposed rulemaking titled "Modernization of Qualification Requirements for Brewer's Notices," in which TTB proposed amendments, generally similar to those proposed in this document, in 27 CFR part 25. See Notice No. 212, published in the **Federal Register** on June 8, 2022, at 87 FR 34819. The comment periods for Notice Nos. 207 and 212 are closed, and TTB is reviewing the comments submitted in response.

II. Proposed Changes to the Regulations

TTB intends for the proposed amendments in this document to modernize and streamline the qualification requirements and processes under the IRC for proprietors

of bonded wineries, bonded wine cellars, and taxpaid wine bottling houses.¹ The general approach TTB adopted in developing the proposed amendments was to identify information currently collected that could be eliminated without hindering TTB's ability to protect and ensure collection of the revenue, and to provide more clarity and specificity in the application questions and instructions. The proposed amendments also relax reporting requirements on certain changes to the business.

A. Operational Information Required for Wine Premises Application

TTB is proposing to eliminate requirements to provide certain operational information when applying to establish a bonded winery, bonded wine cellar, or taxpaid wine bottling house. The TTB regulations at 27 CFR 24.109 prescribe, in general, information that must be included in an application under the IRC to establish such a wine premises. Among the information currently required at sections 24.109(f) and 24.111 are narrative descriptions of certain operations to be conducted on the wine premises. As explained further below, TTB has determined that these narrative descriptions are not necessary for TTB to evaluate whether an applicant qualifies for a permit and, as a result, can either be eliminated or amended to collect a narrower set of information about the operations.

Section 24.109(h) requires applicants to provide, if applicable, a "description of spirits operations." In general, the requirements related to the use of spirits in the production of wine are set forth in TTB's regulations at 27 CFR part 24, subpart K. All proprietors of bonded wine premises are obligated to comply with the requirements of subpart K (and of part 24 in general) in their use of spirits, but such proprietors are not required to obtain authorization from TTB after their initial qualification to begin spirits operations or change their spirits operations. TTB has concluded that requiring applicants to provide a narrative description of spirits operations at the time of their initial application is not necessary for TTB to evaluate whether such applicants are qualified to establish a bonded wine premises. This requirement also places a burden on those applicants who intend to use spirits at the time of their initial application without a similar burden on those who decide to use

¹ For ease of reference, this rulemaking document will generally refer to proprietors of bonded wineries, proprietors of bonded wine cellars, and proprietors of taxpaid wine bottling houses collectively as "proprietors of wine premises."

spirits after qualifying. As such, TTB is proposing to eliminate current section 24.109(h).

The current § 24.109(j) requires applicants intending to conduct volatile fruit-flavor concentrate operations to provide a description of such operations as set forth at 27 CFR 24.113. Section 24.113 requires a step-by-step description of the production procedure to be employed, commencing with obtaining fruit juice and continuing through each step of the process up to the removal of the volatile fruit-flavor concentrate. For concentrates containing more than 24 percent alcohol, the proprietor must indicate any step in the production procedure at which any spirits may be fit for beverage use. The description also must include, among other things, the maximum quantity in gallons of fruit must used, the amount of concentrate produced in 24 hours, and the maximum percent of alcohol in the concentrate for each kind of fruit used.

Similar to the spirits operations previously discussed, all bonded wine premises proprietors are authorized to engage in volatile fruit-flavor concentrate operations, specifically the “preparation, storage, or removal of commercial fruit products and by-products (including volatile fruit-flavor concentrate) not taxable as wine.” See 27 CFR 24.101(b)(4). TTB no longer believes that collecting detailed information on an applicant’s prospective volatile fruit-flavor concentrate production process is necessary at the time of initial qualification, and instead could be collected from applicants and approved wine premises proprietors upon request of the appropriate TTB officer, as needed to protect the revenue (given the potential to create taxable distilled spirits during such operations). However, consistent with the requirement at 27 CFR 24.114 that any still used in the production of volatile fruit-flavor concentrate be set up on bonded wine premises and registered with TTB, there remains a need to collect basic information on whether a bonded wine premises will engage in the production of volatile fruit-flavored concentrate and, if so, certain information concerning any still(s) to be used.

As a result, TTB is proposing to amend § 24.109(j) to replace the required narrative description of volatile fruit-flavor concentrate operations with a statement of whether the applicant intends to produce volatile fruit-flavor concentrate and, if so, the kind, capacity, and intended use of any stills to be used in such production. In

addition, TTB is proposing to amend § 24.113 to provide that bonded wine premises proprietors who produce volatile fruit-flavor concentrate must submit the step-by-step production process description currently required by that section only upon request of the appropriate TTB officer.

TTB is also proposing a conforming amendment to 27 CFR 24.130, which currently requires, in general, that proprietors apply for and receive approval from TTB before beginning new, or changing their existing, production processes for volatile fruit-flavor concentrate. TTB is proposing to amend 24.130 to instead require that proprietors notify TTB when setting up any new still(s) to be used in the production of volatile fruit-flavor concentrate. The proposed notification for new stills requires the proprietor to provide the kind, capacity, and intended use of the still(s).

Finally, § 24.109(k) requires applicants to provide, if applicable, a description of “other operations” not specifically authorized under TTB’s wine premises regulations. TTB has determined that § 24.109(k) serves a purpose duplicative of § 24.103, which governs requests to TTB for authorization to conduct on the wine premises other operations not specifically authorized under part 24 (*e.g.*, at 27 CFR 24.101 and 24.102). Section 24.103 sets forth the information that must be included in a request as well as the criteria for TTB approval. TTB believes that the duplicative provisions in §§ 24.103 and 24.109(k) could cause confusion about what information must be submitted to obtain approval for operations not authorized under §§ 24.101 or 24.102, and when such information must be submitted. For example, § 24.109(k) could give the impression that plans for other operations must be finalized at the time of original application submission. As a result, TTB is proposing to eliminate § 24.109(k). Requests for approval for other operations under § 24.103, if known at the time of application, may still be submitted concurrently with an original application to establish a wine premises, but they also may be submitted later, as long as approval is obtained before the proprietor engages in the other operations.

B. Premises Description and Security

TTB proposes to more narrowly tailor requirements to describe the wine premises and its security, and to consolidate requirements to provide descriptions of alternation operations with the general wine premises

description. The TTB regulations generally prescribe the information that a proprietor must provide in an application for a wine premises. This includes a description of the wine premises and the security measures to be employed at the wine premises. See 27 CFR 24.109(f) and 24.111. TTB currently collects these descriptions in an open-ended narrative format. The regulations require more detailed narrative descriptions and/or diagrams when a proprietor of a bonded winery or bonded wine cellar intends to alternate its premises with an adjacent distilled spirits plant or brewery, or intends to alternate its premises for use as taxpaid wine premises. See 27 CFR 24.111 and 24.135 (regarding alternation for use as taxpaid wine premises), 19.143(b)(2) (regarding alternation with distilled spirits plants), and 25.81(b)(2) (regarding alternation with breweries). TTB believes that direct questions identifying the specific information requested—and associated certifications—will provide greater clarity to applicants as to the exact information TTB seeks in an application, which will reduce the need for additional submissions and communication between TTB and applicants, thus accelerating TTB’s review and approval of applications. TTB therefore proposes amendments, described below, to alter the format in which descriptions of wine premises, security measures, and related information are collected, and, where appropriate, to consolidate the collection of such information.

Amendments to 27 CFR 24.109 and 24.111

Currently, § 24.109(f) requires that an application include a description of the wine premises in accordance with § 24.111. Section 24.111 sets forth the specific information to be included in the description, and includes: (1) a description of each tract of land comprising wine premises; (2) a diagram of the wine premises drawn to scale when required by the appropriate TTB officer; (3) a clear indication of any area of the wine premises to be used as bonded wine premises, used as taxpaid wine premises, or alternated for use as bonded wine premises and taxpaid wine premises; (4) a description of the means employed to afford security and protect the revenue; (5) if required by the appropriate TTB officer to segregate operations within the premises, a description of the manner by which the operations are segregated; (6) a description of each building on wine premises as to size, construction, and use; and (7) if the wine premises consist

of a part of a building, a separate description of the rooms or floors, as well as a description of the activities conducted in the adjoining portions of the building, and the means of ingress and egress from the wine premises.

TTB proposes to amend § 24.111 to remove the requirement to provide a description of the tract of land, to limit the required description to portions of the premises where wine operations will occur, and to clarify the specific information needed. The proposed amendments require the premises description to include the following elements in either narrative or diagram form: (1) The outline and dimensions of the building(s) where wine operations will occur; (2) if the wine premises does not occupy the entire building, the outline and dimensions of the wine premises within the building; (3) if the wine premises includes both bonded wine premises and taxpaid wine premises, the outline and dimensions of each; (4) the external doors of the wine premises; and (5) the outline and dimensions of any portions of the wine premises that are outdoors, including the location of any outdoor tanks. TTB believes that these descriptive elements are the minimum necessary to allow TTB to evaluate whether the premises is adequate to protect the revenue; the requested information provides TTB the scope and dimensions of the operations space and the points of access to the operations. The proposed amendments provide flexibility to submit this information in narrative form or diagram form, whichever is better suited to the applicant's circumstances. The proposed amendments also provide that photographs of any of the required elements must be submitted upon request of the appropriate TTB officer.

With regard to security, § 24.111 currently requires that the description of wine premises include a narrative description of "the means employed to afford security and protect the revenue." TTB believes that this requirement is overly broad. Accordingly, TTB proposes to eliminate the required description of security measures from § 24.111, and to replace it with a new § 24.171 specifically addressing security. Section 24.171 will require that security measures at the wine premises be of a class and construction designed to prevent unauthorized access to, and theft of, commercial property. TTB also proposes to amend § 24.109 to require that an application include a certification that the premises' security will meet the requirements of § 24.171. TTB believes that the proposed amendments clarify that TTB security requirements correspond to current

industry standards and will provide applicants and permittees flexibility to secure their premises in a manner that is best suited to their particular circumstances.

Amendments to 27 CFR 24.131

The TTB regulations currently require proprietors of wine premises to submit a notice to the appropriate TTB officer before making a change in the construction of buildings located on wine premises, or in the use of any portion of the wine premises, where such change affects the accuracy of their current approved application. The notice must describe the proposed change in detail. Proprietors must also include the change covered by the notice in the next amended application to be filed, unless the appropriate TTB officer requires immediate amendment. See 27 CFR 24.131.

TTB proposes to amend § 24.131 to require that proprietors submit a new description of the premises, meeting the requirements of proposed § 24.111, and receive TTB approval prior to making any change to the premises that would render inaccurate the description of premises currently on file with TTB. These amendments simplify the process for obtaining approval for changes in premises and no longer require proprietors to submit the same information to TTB multiple times as required in the current § 24.131.

TTB also proposes to add a new paragraph to § 24.131 authorizing the proprietor, in cases of natural disaster or other similar emergency, to make temporary changes to the premises without first submitting an updated premises description, provided that the proprietor reports any such change(s) to TTB through a letterhead notice within 10 days. Emergency changes to the premises under this new paragraph are temporary, and the proprietor must return their premises to the condition reflected in the approved premises description on file under § 24.111 within 60 days unless the proprietor files for TTB approval, under the general provisions of the proposed § 24.131, to make permanent changes to the premises. TTB believes that these amendments will reduce burdens on proprietors seeking to respond quickly to situations requiring them to make emergency changes to their premises.²

² Note that other changes to a proprietor's operations (*i.e.*, those other than changes to the physical premises) necessitated by emergency situations remain governed by 27 CFR 24.25.

Amendments to 27 CFR 24.135(b)(3), 24.136(a)–(b), and 24.137(b)(2)

Sections 24.135 through 24.137 provide procedures for alternation of wine premises. Specifically, § 24.135 prescribes procedures related to the alternation of bonded wine premises for use as taxpaid wine premises, or alternation for other purposes such as the use of adjacent or contiguous premises qualified under chapter 51 of the IRC (*i.e.*, distilled spirits plant, brewery, etc.) for use as wine premises or vice versa. Section 24.136 prescribes procedures related to alternation of proprietors, and § 24.137 prescribes procedures related to alternation for customs purposes.³ One of the procedures prescribed in §§ 24.136 and 24.137 to engage in alternation of wine premises is that the proprietor must submit with their application a diagram of the part of the premises that will be alternated, as well as a description of the areas, buildings, floors, or rooms that will be alternated. TTB believes that the information collected under these sections can be consolidated into the premises description(s) required at § 24.109(f). Accordingly, TTB proposes to amend these sections to require that such information be included in the description submitted under § 24.109(f).

In the case of § 24.135, with respect to alternation as taxpaid wine premises, the applicant currently must provide a description of how taxpaid wine or spirits, or untaxpaid wine or spirits, will be identified and segregated. With respect to alternation with an adjacent brewery or distilled spirits plant (DSP), § 24.135 does not explicitly require submission of diagrams or descriptions illustrating the proposed alternation, but the proprietor of the wine premises nonetheless must prepare alternation diagrams for submission with the brewery's or DSP's application for alternation. See 27 CFR 25.81(b)(2) (requiring "Special diagrams, in duplicate, delineating the brewery premises and the bonded or taxpaid wine premises as they will exist both during extension and curtailment.") and 27 CFR 19.143(b)(2) (requiring "a special diagram, in duplicate, delineating the premises as they will exist, both during extension and curtailment and clearly depicting all buildings, floors, rooms, areas, equipment that are to be subject to alternation, in their relative operating

³ As further described in § 24.137, proprietors may alternate their wine premises as a Customs Bonded Warehouse under applicable U.S. Customs and Border Protection laws and regulations, for the purpose of measuring, gauging, and bottling or packing wine.

sequence.”⁴ To more clearly convey what information a proprietor must provide for TTB to authorize an alternating premises, specifically regarding how the premises will be delineated and how it will be extended and curtailed, TTB proposes to amend § 24.135(b)(3) to require “Additional versions of the description required under § 24.109(f) describing or showing the premises as they will exist, both during extension and curtailment, and clearly depicting all buildings, floors, rooms, areas, and equipment that are to be subject to alternation, in their relative operating sequence.” As noted above, this information about the wine premises is generally already required to be submitted under regulations directed at breweries and distilled spirits plants that intend to alternate with a wine premises, and is needed by TTB to ensure well-defined separation of operations, compliance with statutory and regulatory requirements that apply to the different operations, and payment of the appropriate Federal excise tax.

C. Statements of Interest

TTB proposes amendments to clarify the scope of the collection of information related to persons holding ownership interests in an applicant business. TTB collects these statements of interest in accordance with TTB’s statutory obligation under the IRC to collect information necessary to determine whether the operations will be in conformity with law and regulations. See 26 U.S.C. 5356.

To protect and ensure collection of the revenue, TTB must identify circumstances in which a bonded wine cellar or winery’s ownership structure would affect the bonded wine cellar or winery’s required method of tax payment and/or the bonded wine cellar or winery’s eligibility for certain reduced rates of tax. The IRC provides that any taxpayer who, in any calendar year, was liable for at least \$5,000,000 in taxes on distilled spirits, wines, or beer must pay such taxes in the following year by electronic fund transfer. See 26 U.S.C. 5061(e). Furthermore, in the case of a controlled group of corporations, all component members of the group are treated as one taxpayer.⁵ See 26 U.S.C. 5061(e)(3)(A).

⁴Note that, similar to the amendments proposed in this document, TTB proposed in Notice Nos. 212 and 207, respectively, amendments to §§ 25.81 and 19.143 providing that alternation descriptions be submitted on additional versions of the premises description required with the application for the original Brewer’s Notice or DSP permit.

⁵For purposes of IRC sections 5061(e) and 5051(a)(5)(A), a “controlled group of corporations” has the meaning given to such term by 26 U.S.C. 1563(a), except that “more than 50 percent” must

To determine whether a bonded wine cellar or winery belongs to a controlled group, and thereby to enforce section 5061(e), TTB must collect information identifying the persons holding ownership interests in the business.

Determining whether a prospective bonded wine cellar or winery is a member of a controlled group is also necessary to determine whether the proprietor may be eligible for certain tax credits once they are in business following TTB approval of an application to establish a wine premises. The IRC provides a credit against the tax imposed under section 5041(a) on the first 30,000 wine gallons of wine produced by the producer and removed during the calendar year for consumption or sale. See 26 U.S.C. 5041(c)(1)(A). Further, the IRC provides a slightly lower credit against the tax on the next 100,000 wine gallons removed during the calendar year, and subsequently an even lower credit against the tax on the next 620,000 wine gallons removed during the calendar year. See 26 U.S.C. 5041(c)(1)(A).

The tax credits under section 5041(c)(1)(A) apply to the collective production and removal activity of a controlled group. See 26 U.S.C. 5041(c)(3). For example, if an application is submitted for a bonded winery that would produce 25,000 wine gallons of wine per year, but which will be part of a controlled group with another winery producing 200,000 wine gallons of wine per year, TTB needs to collect information to identify the controlled group structure and thereby ensure that the wineries within the controlled group will not claim tax credits for which they are ineligible.

The TTB regulations promulgated under the above IRC authorities thus require statements of interest for applications to establish and operate wine premises. See 27 CFR 24.110(c). TTB proposes amendments to 27 CFR 24.110(c) to clarify and standardize the collection of basic identifying information of persons with an ownership interest in the business. The amended § 24.110(c) provides that: (1) the requirement to disclose basic identifying information (*i.e.*, names and addresses) of persons with an ownership interest in the business applies to persons with an interest at least equivalent to that of a principal stockholder in a corporation, that is, an ownership interest of 10 percent or greater; and (2) where a “person”

be substituted for “at least 80 percent” each place it appears in section 1563(a). Section 5061(e)(3)(B) clarifies that rules similar to paragraph (3)(A) apply to a group of persons under common control where one or more of such persons is not a corporation.

holding such an interest is a legal entity other than an individual, the applicant must provide the name, title, and place of residence (city and State) of a representative individual for that entity. The “representative individual” generally is the individual that the entity designated to represent the entity’s interest in the business or, in the absence of a designated individual, an owner, chief officer or manager, or person with similar authority within the entity. TTB believes that this is the minimum amount of information required to identify the individuals with an ownership interest in the business and to evaluate any potential controlled group affiliations for the applicant. TTB also proposes a minor conforming amendment to add the word “ownership” before “interest” in § 24.109(c).

D. 30-Day Filing Requirements for Certain Changes in the Business

TTB proposes to extend the deadline for reporting certain changes in a proprietor of wine premises’ business generally from 30 days to 60 days. The TTB regulations generally require that, when there is a change in the information submitted to TTB in a current approved application to establish and operate wine premises, the proprietor of the business must notify TTB of the change. The timing and form of this notification differs depending on the type of change.

Proprietors must report some business changes to TTB within a certain amount of time following the change, generally within 30 days. For example, the current TTB regulations require that proprietors of wine premises submit an amended application within 30 days of any change to the list of corporate officers furnished with the original application. See 27 CFR 24.124.

Comments received in response to Treasury’s request for information, described above in section I(A), suggest that 30 days is not enough time for regulated entities to assemble the information that is required to be filed in connection with various changes in the business. These comments suggested that such filing deadlines should be extended to 60 days.

TTB reviewed these proposals and concluded that extending existing deadlines for reporting certain changes in the business (including in some cases by amending applications) from 30 to 60 days would not, in general, pose risk to the revenue or raise other concerns. Accordingly, TTB proposes to extend such deadlines in 27 CFR 24.120, 24.123, and 24.124. Section 24.120 currently requires that, except as

otherwise provided in part 24, a proprietor submit an amended application within 30 days of a change in any of the information included in the current approved application. Section 24.123 requires a proprietor to submit an amended application within 30 days of a change in control of a business caused by the sale or transfer of capital stock, or the proprietor may submit a new list of stockholders annually on May 1 where the change in stockholders does not result in a change of control or management of the business. Similarly, § 24.124 generally requires that a proprietor submit an amended application within 30 days of a change in the list of corporate officers furnished with the original application. TTB proposes to extend each of the above reporting deadlines from 30 to 60 days. TTB also proposes to amend § 24.124 to require that a proprietor submit a new list of corporate officers as a letterhead notice rather than submitting it with an amended application.

TTB also proposes conforming amendments to § 24.123 to update references to “stockholders” to refer instead to “ownership interests” consistent with the proposed amendments to statements of interest described in Section II(C) of this document. TTB further proposes amendments to § 24.123 to clarify a proprietor’s obligations where a change in ownership interests does result in a change in control of the business. For wine premises that do not require an FAA Act basic permit (*i.e.*, taxpaid wine bottling houses, bonded wine cellars engaging only in storage), such changes in ownership interests must be reported to TTB via a letterhead notice within 60 days of the change.

For wine premises that do require an FAA Act basic permit (*i.e.*, bonded wine cellars engaging in production and/or blending), such changes in ownership interests must be reported to TTB in an amended application within 30 days of the change. The 30-day deadline is required by statutory provisions of the FAA Act, which provide that FAA Act permits cannot be sold or transferred and will automatically terminate 30 days after a transfer by operation of law or a change in actual or legal control of the permitted business. See 27 U.S.C. 204(g). Section 204(g)(2) also provides that if an application for a new permit is submitted within 30 days of such a change, the outstanding permit remains in effect until TTB takes final action on the new application. These provisions are implemented in TTB regulations at 27 CFR 1.44. Because maintenance of an FAA Act basic permit is a continuing

condition of certain IRC wine premises permits (see 27 CFR 24.106), TTB is proposing to clarify in § 24.123 that proprietors of wine premises engaging in the production and/or blending of wine must submit an amended application within 30 days of the change in control, consistent with the FAA Act requirements previously described.

E. Changes in Trade Names

TTB proposes to revise the regulations at 27 CFR 24.122 to allow changes to, or additions of, trade names through a letterhead notification to TTB rather than through an amended application.⁶ The TTB regulations currently require that proprietors file an amended application before engaging in operations under a new trade name. See 27 CFR 24.122. TTB’s Permits Online (PONL) system already includes a function for electronically reporting additional trade names, which will satisfy the proposed requirement of a letterhead notice. Consistent with this established policy, TTB’s proposed revision would update regulations to reflect that industry members may begin operations under the new name immediately after notifying TTB.

TTB notes that, while this amendment would allow industry members to immediately begin operations under a new trade name upon notifying TTB, it remains the responsibility of the proprietor to ensure that any trade name is properly registered with the applicable State or local government. Industry members should further note that the FAA Act prohibits false or misleading statements on alcohol beverage labels, and a trade name may not be used on a label if its use creates a false or misleading impression as to the age, origin, or identity of the product. See 27 U.S.C. 205(e). The FAA Act also prohibits the use of misleading trade names when advertising wine. See 27 U.S.C. 205(f).

F. Retention of Records Off-Premises

TTB is proposing amendments to allow records to be stored at a location other than the wine premises by notifying TTB of the intention to store records at an off-premises location, rather than requiring specific TTB approval. As part of its evaluation of permit and registration applications, TTB sought to identify any types of requests to vary from the regulations

that applicants commonly submitted with their permit or registration applications, and that TTB routinely approved. One common request from proprietors of wine premises has been for approval to maintain required records at a location other than the wine premises. As a result, TTB proposes to amend 27 CFR 24.300 to allow proprietors of wine premises to keep records at another location upon providing a letterhead notice to TTB. The amendments provide that required records must still be made available at the wine premises upon request, but that copies will generally satisfy this requirement (consistent with current TTB policy, “copies” includes electronic copies).

III. Public Participation

A. Comments Invited

TTB invites comments from interested members of the public on this proposed rulemaking. TTB also invites comments on any additional means to streamline application processes within the parameters of TTB’s statutory obligations.

B. Submitting Comments

You may submit comments on this proposal as an individual or on behalf of a business or other organization via the *Regulations.gov* website or via postal mail, as described in the **ADDRESSES** section of this document. Your comment must reference Notice No. 234 and must be submitted or postmarked by the closing date shown in the **DATES** section of this document. You may upload or include attachments with your comment. You also may submit a comment requesting a public hearing on this proposal. The TTB Administrator reserves the right to determine whether to hold a public hearing. If TTB schedules a public hearing, it will publish notification of the date, time, and place for the hearing in the **Federal Register**.

C. Confidentiality and Disclosure of Comments

All submitted comments and attachments are part of the rulemaking record and are subject to public disclosure. Do not enclose any material in your comments that you consider confidential or that is inappropriate for disclosure.

TTB will post, and you may view, copies of this document, its supporting materials, and any comments TTB receives about this proposal within the related *Regulations.gov* docket. In general, TTB will post comments as submitted, and it will not redact any

⁶ Note that, similar to the amendment proposed in this document, TTB proposed in Notice No. 207 an amendment to the FAA Act permit regulations at § 1.40 that would allow changes to, or additions of, trade names to be accomplished by a letterhead notice.

identifying or contact information from the body of a comment or attachment.

Please contact TTB's Regulations and Rulings division by email using the web form available at <https://www.ttb.gov/contact-rrd>, or by telephone at 202-453-2265, if you have any questions regarding comments on this proposal or to request copies of this document, its supporting materials, or the comments received in response.

IV. Regulatory Analysis and Notices

A. Executive Order 12866

It has been determined that this proposed rule is not a significant regulatory action as defined by Executive Order 12866 of September 30, 1993, as amended. Therefore, no regulatory assessment is required.

B. Regulatory Flexibility Act

In accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), TTB has analyzed the potential economic effects of this action on small entities. In lieu of the initial regulatory flexibility analysis required to accompany proposed rules under 5 U.S.C. 603, section 605 allows the head of an agency to certify that a rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. The following analysis provides the factual basis for TTB's certification under section 605.

Impact on Small Entities

While TTB believes the majority of businesses subject to this proposed rule are small businesses, the changes proposed in this document will not have a significant economic impact on those small entities. The proposed amendments are generally aimed at reducing burden on regulated entities of all sizes by:

- (1) Eliminating the collection of certain information from applications to establish wine premises;
- (2) Streamlining requirements to describe the wine premises and its security;
- (3) Extending deadlines for reporting certain changes in the wine premises proprietor's business;
- (4) Streamlining procedures for wine premises proprietors using new trade names;
- (5) Allowing the maintenance of required records at locations other than the wine premises through a notification rather than an application for an alternate procedure; and
- (6) Clarifying which individuals are required to submit statements of financial interest in the business in connection with an application to establish a wine premises.

On June 14, 2017, the Treasury Department (Treasury) published in the **Federal Register** (82 FR 27217) a Request for Information inviting members of the public to submit views and recommendations for Treasury regulations that can be eliminated, modified, or streamlined to reduce burdens. TTB reviewed comments received in response to this request and identified proposals that related to the permit application or, more generally, to beginning business in a TTB-regulated industry. Many of the proposed changes are consistent with recommendations submitted by industry in response to Treasury's request.

To reduce the information collected in applications to establish wine premises, TTB proposes amendments to 27 CFR 24.109 to eliminate requirements that applicants provide narrative descriptions of spirits operations and volatile fruit-flavor concentrate in their applications.

To streamline wine premises description requirements, TTB proposes amendments to 27 CFR 24.109 and 24.111 to replace requirements for narrative descriptions of the wine premises with requirements to submit more specific and narrowly tailored information regarding the premises. For example, § 24.111 currently requires a detailed narrative description of the wine premises, including a description of each tract of land covered by the wine premises and a description of the "size, construction, and use" of each building on the wine premises. The proposed amendments to § 24.111 remove the narrative description requirements and instead require the submission of more limited information illustrating certain specified attributes of the premises.

An example of extending deadlines for reporting changes in a permitted or registered business is the proposed amendment to § 24.120, which provides the general rules for notifying TTB of any changes in the information included in an approved application to establish a wine premises. Section 24.120 generally requires that when such changes occur, the proprietor of the wine premises must file an amended application within 30 days. The proposed amendments to § 24.120 extend this deadline to 60 days. TTB proposes similar amendments at §§ 24.123 and 24.124.

Regarding changes in trade names, TTB's regulations at 27 CFR 24.122 currently require that wine premises proprietors submit an amended application and receive approval from TTB before operating under a new trade name. The proposed amendments to 27 CFR 24.122 clarify that a proprietor

need only notify TTB of the addition of a trade name prior to using such name for labeling purposes, and the proprietor may notify TTB through a written notice. TTB's Permits Online (PONL) system already includes a function for reporting additional trade names, which will satisfy the proposed § 24.122's requirement for a written notice.

Concerning records maintenance, current recordkeeping requirements require that proprietors of wine premises maintain prescribed records at the wine premises. The proposed amendments to 27 CFR 24.300 generally allow for the maintenance of required records at locations other than the wine premises upon written notice to TTB.

With respect to the collection of background information, TTB proposes amendments to 27 CFR 24.110 to clarify the individuals who are required to submit statements of ownership interest in a business submitting an application to establish a wine premises. The proposed amendments clarify that: (1) such statements of interest are required only from persons with an ownership interest in the applicant business of 10 percent or greater; and (2) where a "person" holding such an interest is a legal entity other than an individual, the applicant must submit basic identifying information about a representative individual for that entity.

In conclusion, while the entities affected by the proposed rule include a substantial number of small entities, TTB expects the effects of the changes in this proposed rule to include modest burden reductions for the affected entities. In accordance with the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), TTB certifies that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities. The proposed rule will not impose, or otherwise cause, a significant increase in reporting, recordkeeping, or other compliance burdens on a substantial number of small entities. Accordingly, a regulatory flexibility analysis is not required. Pursuant to 26 U.S.C. 7805(f), TTB will submit the proposed regulations to the Chief Counsel for Advocacy of the Small Business Administration for comment on the impact of the proposed regulations on small businesses.

C. Paperwork Reduction Act

Regulations addressed in this document contain current collections of information that have been previously reviewed and approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C.

3504(h) and assigned control numbers 1513-0009, 1513-0057, and 1513-0115. The specific regulatory sections in this proposed rule that contain collections of information, either current or proposed, are §§ 24.109, 24.110, 24.111, 24.113, 24.120, 24.122, 24.123, 24.124, 24.130, 24.131, 24.135, 24.136, 24.137, and 24.300. 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 control number assigned by OMB.

The amendments that TTB proposes in this document, along with certain corresponding policy changes, are designed to reduce the overall burden associated with the information collections noted above. In general, the proposed amendments involve:

(1) Eliminating the collection of certain information from applications to establish wine premises;

(2) Streamlining requirements to describe the wine premises and its security;

(3) Extending deadlines for reporting certain changes in the wine premises proprietor's business;

(4) Streamlining procedures for wine premises proprietors using new trade names;

(5) Allowing the maintenance of required records at locations other than the wine premises through a notification rather than an application for an alternate procedure; and

(6) Clarifying which individuals are required to submit statements of financial interest in the business in connection with an application to establish a wine premises.

To reduce the information collected in applications to establish wine premises, TTB proposes amendments to 27 CFR 24.109, paragraphs (h) and (j), to eliminate requirements that applicants provide in their application narrative descriptions of spirits operations and volatile fruit-flavor concentrate applications, respectively. Paragraphs (h) is eliminated entirely while paragraph (j) is revised to require only information about the capacity, kind, and intended use of any still(s) to be used in the production of volatile fruit-flavor concentrate. Regarding volatile fruit-flavor concentrate operations, TTB is proposing conforming amendments at 27 CFR 24.113 and 24.130. Instead of requiring all applicants to submit a description of their volatile fruit-flavor concentrate production process, the amended § 24.113 would require that applicants and proprietors submit such a description only upon TTB request. Instead of requiring proprietors to report any changes to their volatile fruit-flavor concentrate production process, the

amended § 24.130 would only require that proprietors notify TTB of any new stills to be used in the production of volatile fruit-flavor concentrate. TTB is also proposing to eliminate the current § 24.109(k) requiring applicants to provide, if applicable, a description of "other operations" not specifically authorized under TTB's wine premises regulations, as it is duplicative of 27 CFR 24.103. Sections 24.109, 24.113, and 24.130 are currently included in the collection of information assigned OMB control number 1513-0009. As a result of the proposed amendments to § 24.130 changing the collection of information from an amended application to a letterhead notice, TTB believes it is more appropriate to instead account for that section in the collection of information assigned OMB control number 1513-0057. TTB has submitted to OMB revisions of information collections 1513-0009 and 1513-0057 to account for the updated, and overall reduced, burden of the proposed amendments.

To streamline requirements to describe the wine premises and its security, TTB proposes amendments to 27 CFR 24.109, 24.111, 24.131, 24.135, 24.136, and 24.137. The proposed amendments to §§ 24.109 and 24.111 eliminate requirements to submit detailed narrative descriptions of the wine premises and certain of its attributes, and will replace these requirements with a more specific set of information and a certification as to the premises security. TTB proposed conforming amendments in § 24.131. The proposed amendments to §§ 24.135-24.137 generally consolidate the requirements to provide specific descriptions or diagrams of wine premises alternation into the generally-applicable premises description requirements of §§ 24.209 and 24.111. Sections 24.109, 24.111, 24.131, 24.135, 24.136, and 24.137 are currently included in the collection of information assigned OMB control number 1513-0009. TTB has submitted to OMB a revision of that information collection to account for the reduced burden of the proposed amendments.

To extend deadlines for reporting certain changes in the wine premises proprietor's business, TTB proposes amendments to 27 CFR 24.120, 24.123, and 24.124. The proposed amendment to § 24.120 extends the generally-applicable deadline for submitting an amended application from 30 to 60 days following a change in the information included in the approved application. The proposed amendment to § 24.124 similarly extends the deadline for reporting changes in corporate officers

from 30 to 60 days. The proposed amendments to § 24.123 extend the deadline for reporting certain changes in ownership of the business from 30 to 60 days, except where the Federal Alcohol Administration Act establishes by law the 30-day deadline. Sections 24.120, 24.123, and 24.124 are currently included in the collection of information assigned OMB control number 1513-0009. TTB has submitted to OMB a revision of that information collection to account for the reduced burden of the proposed amendments.

The TTB regulations generally require that changes to, or additions of, the trade names under which a permitted business may operate be made by filing for an amended permit. Such applications would need to be approved prior to the applicant beginning operations under the new trade name. To relax the requirements associated with altering the trade names available for use by a wine premises proprietor, TTB proposes amendments to 27 CFR 24.122. The amendments would allow changes to, or additions of, trade names to be accomplished by a letterhead notice. Section 24.122 is currently included in the collection of information assigned OMB control number 1513-0009. As a result of the proposed amendments changing the collection of information from an amended application to a letterhead notice, TTB believes it is more appropriate to instead account for the collection of trade name information in the collection assigned OMB control number 1513-0057 (note that provisions of § 24.122 relating to amended permits for changes in legal name will remain accounted for in collection 1513-0009). TTB has submitted to OMB revisions of information collections 1513-0009 and 1513-0057 to account for the updated, and overall reduced, burden of the proposed amendments.

Concerning records maintenance, current recordkeeping requirements require that proprietors of wine premises maintain prescribed records at the wine premises. Under current regulation and policy, proprietors can request, under the authority of 27 CFR 24.22, "Alternate method or procedure," to maintain records at an off-premises location. Such request must be approved by TTB before the proprietor can maintain records at the off-premises location. The proposed amendments to 27 CFR 24.300 generally allow for the maintenance of required records at locations other than the wine premises immediately upon written notice to TTB. Section 24.300 is currently included in the collection of information assigned OMB control

number 1513–0115. Section 24.22 is currently included in the collection of information assigned OMB control number 1513–0057. TTB has submitted to OMB revisions of information collections 1513–0115 and 1513–0057 to account for the reduced burden of the proposed amendments.

With respect to the collection of applicant background information, TTB proposes amendments to 27 CFR 24.110 to clarify the individuals who are required to submit statements of financial interest in the applicant business. Section 24.110 generally requires statements disclosing the identities of persons holding certain levels of ownership in a business applying to establish a wine premises to be submitted with such applications. The proposed amendments clarify that (1) Such statements of interest are required only from persons with an ownership interest in the applicant of 10 percent or greater; and (2) where a “person” holding such an interest is a legal entity other than an individual, an applicant must submit basic identifying information about a representative individual for that entity. Section 24.110 is currently included in the collection of information assigned OMB control number 1513–0009. TTB has submitted to OMB a revision of that information collection to account for the reduced burden of the proposed amendments.

As noted above, TTB has submitted the revised information collection requirements to OMB for review. Comments on these revised recordkeeping and reporting requirements should be sent to OMB at Office of Management and Budget, Attention: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503 or by email to OIRA_submissions@omb.eop.gov. A copy should also be sent to TTB by any of the methods previously described. Comments on the information collections should be submitted no later than December 2, 2024. Comments are specifically requested concerning:

- Whether the collections of information submitted to OMB are necessary for the proper performance of the functions of the Alcohol and Tobacco Tax and Trade Bureau, including whether the information will have practical utility;
- The accuracy of the estimated burdens associated with the collections of information submitted to OMB;
- How to enhance the quality, utility, and clarity of the information to be collected;

- How to minimize the burden of complying with the proposed revisions of the collections of information, including the application of automated collection techniques or other forms of information technology; and

- Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

List of Subjects in 27 CFR Part 24

Alcohol and alcoholic beverages, Application procedures, Wine, Notice requirements, Reporting and recordkeeping requirements, Security requirements, Trade names.

Amendments to the Regulations

For the reasons discussed above in the preamble, TTB proposes to amend 27 CFR part 24 as follows:

PART 24—WINE

■ 1. The authority citation for part 24 is revised to read as follows:

Authority: 5 U.S.C. 552(a); 26 U.S.C. 5001, 5008, 5041, 5042, 5044, 5061, 5062, 5121, 5122–5124, 5173, 5206, 5214, 5215, 5351, 5353, 5354, 5356, 5357, 5361, 5362, 5364–5373, 5381–5388, 5391, 5392, 5511, 5551, 5552, 5556, 5661, 5662, 5684, 6065, 6091, 6109, 6301, 6302, 6311, 6651, 6676, 7302, 7342, 7502, 7503, 7606, 7805, 7851; 31 U.S.C. 9301, 9303, 9304, 9306.

■ 2. Section 24.10 is amended by adding, in alphabetical order, a definition of “Letterhead notice” to read as follows:

§ 24.10 Meaning of terms.

* * * * *

Letterhead notice. A statement on a company’s letterhead or other piece of paper that clearly shows the company name from a company representative with signature authority. Letterhead notices may be filed electronically by any means authorized by the appropriate TTB officer. Letterhead notices do not require TTB approval.

* * * * *

§ 24.22 [Amended]

- 3. Section 24.22 is amended by:
- a. Removing the parenthetical legal citations at the end of the section; and
 - b. Removing the OMB control number “1512–0292” in the second parenthetical phrase at the end of the section and adding, in its place, the OMB control number “1513–0057”.
- 4. Section 24.109 is amended by:
- a. Adding the word “ownership” before “interest” in the first sentence of paragraph (c);
 - b. Revising paragraphs (g) through (l);
 - c. Removing paragraph (m); and

■ d. Removing the parenthetical legal citations at the end of the section.

The revisions read as follows:

§ 24.109 Data for application.

* * * * *

(g) A certification that the premises’ security is in compliance with § 24.171;

(h) Trade names (see § 24.112);

(i) With respect to wine premises to which the application relates, a list of the applicant’s basic permits and bonds (including those filed with the application) showing the name of the surety for each bond;

(j) A statement of whether the applicant intends to produce volatile fruit-flavor concentrate and, if so, the kind, capacity, and intended use of any stills to be used in such production;

(k) A statement whether the applicant is required to furnish a bond under § 24.146; and

(l) The applicant shall, when required by the appropriate TTB officer, furnish as part of the application, additional information as may be necessary to determine whether the application should be approved. If any of the submitted information changes during the pending application, the applicant shall immediately notify the appropriate TTB officer of the revised information.

* * * * *

■ 5. Section 24.110 is amended by:

■ a. Revising paragraph (c);

■ b. Removing the first parenthetical phrase at the end of the section; and

■ c. Revising the second parenthetical phrase at the end of the section.

The revisions read as follows:

§ 24.110 Organizational documents.

* * * * *

(c) *Statement of interest.* (1) *Sole proprietorships and general partnerships.* In the case of an individual owner or a general partnership, the name and address of each person having an interest in the business and a statement indicating whether the interest appears in the name of the interested person or in the name of another person.

(2) *Limited liability entities.* In the case of a corporation, limited liability partnership, limited liability company, or other legal entity in which some or all of the owners have limited personal liability for the activities of the entity:

(i) The names and addresses of persons having a 10 percent or more ownership or other interest in each of the classes of ownership of the entity, and the nature and amount of ownership or other interest of each person.

(ii) The name of the person in whose name the interest appears. If the limited

liability entity is under actual or legal control of another limited liability entity, the appropriate TTB officer may request the same information regarding ownership for the parent limited liability entity.

(3) If any interested person named under paragraphs (c)(1) and (c)(2) of this section is a legal entity other than an individual, the name, title, and city and state of residence of a representative individual for the entity. The representative individual must be the individual designated by the entity to represent the entity's interest in the applicant business or, in the absence of a designated individual, an owner, chief officer or manager, or person with similar authority within the entity.

* * * * *

(Approved by the Office of Management and Budget under control number 1513-0009)

■ 6. Section 24.111 is revised to read as follows:

§ 24.111 Description of premises.

(a) As required by § 24.109(f), the application for registration must include a description of wine premises. The description may be in narrative form or diagram form, and must illustrate:

(1) The outline and dimensions of the building(s) where wine operations will occur;

(2) If the wine premises does not occupy the entirety of the building(s), the outline and dimensions of the wine premises within the building(s);

(3) If the wine premises includes both bonded wine premises and taxpaid wine premises, the outline and dimensions of each;

(4) The external doors of the wine premises; and

(5) The outline and dimensions of any portions of the wine premises that are outdoors, including the location of any outdoor tanks.

(b) Photographs further illustrating any of the elements required in paragraph (a) of this section must be submitted upon request of the appropriate TTB officer.

(Approved by the Office of Management and Budget under control number 1513-0009)

■ 7. Section 24.113 is revised to read as follows:

§ 24.113 Description of volatile fruit-flavor concentrate operations.

Each applicant intending to produce volatile fruit-flavor concentrate and each approved proprietor of a bonded wine premises who produces volatile fruit-flavor concentrate shall provide, upon request of the appropriate TTB officer, a step-by-step description of their production procedure. The

description will commence with the obtaining of juice from the fruit and continue through each step of the process to removal of volatile fruit-flavor concentrate from the system. If volatile fruit-flavor concentrate containing more than 24 percent alcohol (high-proof concentrates (essences)) is to be produced, the applicant or proprietor shall indicate any step in the production procedure at which any spirits may be fit for beverage purposes. For each kind of fruit used, the description must include the maximum quantity (in gallons) of fruit must used and volatile fruit-flavor concentrate produced in 24 hours, the maximum and minimum fold, and the maximum percent of alcohol in the volatile fruit-flavor concentrate.

(Approved by the Office of Management and Budget under control number 1513-0009)

§ 24.120 [Amended]

■ 8. Section 24.120 is amended by:

■ a. Removing the phrase “30 days” and adding in its place “60 days” in the first sentence;

■ b. Removing the first parenthetical phrase at the end of the section; and

■ c. Removing the OMB control number “1512-0058” in the second parenthetical phrase at the end of the section and adding, in its place, the OMB control number “1513-0009”.

■ 9. Section 24.122 is revised to read as follows:

§ 24.122 Change in name of proprietor or trade name.

(a) *Legal name.* Where there is to be a change in the name of the proprietor, the proprietor shall file an amended application and, if a basic permit has been issued under the Federal Alcohol Administration Act (49 Stat. 978; 27 U.S.C. 203), an application for amendment of the basic permit.

Operations under a new name may not be conducted before approval of the amended application or issuance of an amended permit, as the case may be.

(b) *Trade name.* Where there is a change in or addition of a trade name, the proprietor must first file a letterhead notice with the appropriate TTB officer listing the new names and the offices where they are registered. The proprietor is not required to file another letterhead notice of a change in or addition of a trade name if the proprietor has previously filed a letterhead notice pursuant to 27 CFR 1.40 notifying TTB of the same change in or addition of a trade name.

(Approved by the Office of Management and Budget under control number 1513-0009 and 1513-0057)

■ 10. Section 24.123 is revised to read as follows:

§ 24.123 Change in ownership interests.

(a) *General.* If there is a change in the list of persons with ownership interests submitted pursuant to § 24.110(c), the proprietor may, in lieu of submission within 60 days of the change under the provisions of § 24.120, submit a new list of persons with ownership interests annually on May 1, or any other approved date, to the appropriate TTB officer, provided that the change in ownership interest(s) does not result in a change in control of the business.

(b) *Changes in control.* (1) *Wine premises required to maintain a basic permit.* For wine premises required to obtain and maintain an FAA Act basic permit as described in § 24.106 and 27 CFR part 1, where a change in ownership interests results in a change in the actual or legal control of the business, the proprietor must submit a new list of persons with ownership interests to the appropriate TTB officer within 30 days of the change. The proprietor's application for a new FAA Act basic permit, required under 27 CFR 1.44 and 24.121 and containing such information as required under § 24.110(c), will serve as adequate notice for purposes of this paragraph.

(2) *Wine premises not required to maintain a basic permit.* For wine premises, subject to this part, other than those described in § 24.106 and 27 CFR part 1, where a change in ownership interests results in a change in legal control of the business, the proprietor must submit a letterhead notice containing a new list of persons with ownership interests to the appropriate TTB officer within 60 days of the change.

(Approved by the Office of Management and Budget under control number 1513-0009)

§ 24.124 [Amended]

■ 11. Section 24.124 is amended by:

■ a. Removing the phrase “30 days” and adding in its place “60 days” in the first sentence;

■ b. Removing the phrase “an amended application supported by” and adding in its place “a letterhead notice providing” in the first sentence;

■ c. Removing the phrase “an amended application” and adding in its place “a letterhead notice” in the second sentence;

■ d. Removing the first parenthetical phrase at the end of the section; and

■ e. Removing the OMB control number “1512-0058” in the second parenthetical phrase at the end of the section and adding, in its place, the OMB control number “1513-0009”.

■ 12. Section 24.130 is revised to read as follows:

§ 24.130 Change in volatile fruit-flavor concentrate operations.

Prior to using any new still in the production of volatile fruit-flavor concentrate, the proprietor must submit a letterhead notice to the appropriate TTB officer describing the kind, capacity, and intended use of the still. Such letterhead notice will satisfy the still registration requirement set forth at 27 CFR 24.114.

(Approved by the Office of Management and Budget under control number 1513-0057)

■ 13. Section 24.131 is revised to read as follows:

§ 24.131 Change in premises.

(a) Where a proprietor intends to make any change to the wine premises, other than those covered by §§ 24.135—24.137, that would render inaccurate the description submitted with the application to establish the wine premises or submitted separately or previously by the proprietor with another reported change, the proprietor must first submit to TTB updated information meeting the requirements of § 24.111 and obtain TTB approval prior to making the change. Updated premises descriptions may be submitted on form TTB F 5120.25 or its electronic equivalent.

(b) In cases of natural disaster or other similar emergency, the proprietor may make temporary changes to the premises (as described in paragraph (a) of this section) without first submitting an updated premises description. However, the proprietor must report any such change(s) to the appropriate TTB officer through a letterhead notice within 10 days. The proprietor must then return their premises to the condition reflected in the approved premises description on file under § 24.111 within 60 days unless the proprietor files for TTB approval to make permanent changes to the premises pursuant to paragraph (a) of this section.

(Approved by the Office of Management and Budget under control number 1513-0009)

■ 14. Section 24.135 is amended by:

- a. Revising paragraph (b)(3);
- b. Removing the first parenthetical phrase at the end of the section; and
- c. Removing the OMB control number “1512-0058” in the second parenthetical phrase at the end of the section and adding, in its place, the OMB control number “1513-0009”.

The revision reads as follows:

§ 24.135 Wine premises alternation.

* * * * *

(b) * * *

(3) Additional versions of the description required under § 24.109(f) describing or showing the premises as they will exist, both during extension and curtailment, and clearly depicting all buildings, floors, rooms, areas, and equipment that are to be subject to alternation, in their relative operating sequence; and

* * * * *

■ 15. Section 24.136 is amended by:

- a. Revising paragraphs (a) and (b); and
- b. Removing the first parenthetical phrase at the end of the section; and
- c. Revising the second parenthetical phrase at the end of the section.

The revisions read as follows:

§ 24.136 Procedure for alternating proprietors.

(a) *General.* Wine premises, or parts thereof, may be operated alternately by proprietors who have each filed and received approval of the necessary applications and bonds and have qualified under the provisions of this part. Where operations by alternating proprietors are limited to parts of the wine premises, the descriptions required to be submitted with each proprietor’s application for registration under § 24.109(f) must additionally illustrate the following:

(1) The areas, rooms, or buildings, or combination of rooms and/or buildings, that will alternate between proprietors; and

(2) The means by which the alternated premises will be separated from any premises that will not be alternated.

(b) *Alternation.* Once the qualifying documents have been approved, and operations initiated, the wine premises, or parts thereof, may be alternated. Any transfer of wine, spirits, or other accountable materials from one proprietor to the other proprietor will be indicated in the records and reports of each proprietor. Operation of a bonded winery engaged in the production of wine by an alternate proprietor will be at least one calendar day in length. All operations in any area, building, floor, or room to be alternated will be completely finished and all wine, spirits, and other accountable materials will be removed from the alternated wine premises or transferred to the incoming proprietor. However, wine, spirits, and other accountable materials may be retained in locked tanks at wine premises to be alternated and remain in the custody of the outgoing proprietor.

* * * * *

(Approved by the Office of Management and Budget under control numbers 1513-0009, 1513-0053, and 1513-0115)

■ 16. Section 24.137 is amended by:

- a. Revising paragraph (b)(2);
- b. Removing the first parenthetical phrase at the end of the section; and
- c. Removing the OMB control number “1512-0058” in the second parenthetical phrase at the end of the section and adding, in its place, the OMB control number “1513-0009”.

The revision reads as follows:

§ 24.137 Alternate use of the wine premises for customs purposes.

* * * * *

(b) * * *

(2) Additional versions of the description required under § 24.109(f) describing or showing the areas, rooms, or buildings, or combination of rooms and/or buildings that will be alternated, and the means by which the alternated premises will be separated from any premises that will not be alternated; and

* * * * *

■ 17. Add § 24.171 to subpart E to read as follows:

§ 24.171 Security.

Security measures at the wine premises will be of a class and construction designed to prevent unauthorized access to, and theft of, commercial property.

■ 18. Section 24.300 is amended by:

- a. Revising paragraph (e);
- b. Revising the heading of paragraph (f);
- c. Removing the first parenthetical phrase at the end of the section; and
- d. Revising the second parenthetical phrase at the end of the section.

The revisions read as follows:

§ 24.300 General.

* * * * *

(e) *Availability of records.* The records required by this part must be available for inspection by the appropriate TTB officer during normal business hours. If a proprietor desires to keep the required records at any location other than the wine premises, they must first provide a letterhead notice to the appropriate TTB officer of the location where the records are to be kept. Any proprietor keeping records at a location other than the wine premises where operations or transactions occur must make them available at the wine premises upon request of the appropriate TTB officer; however, the proprietor may supply copies (including electronic copies) of such records as provided in paragraph (f) of this section.

(f) *Copies of records.* * * *

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(Approved by the Office of Management and Budget under control numbers 1513–0053, 1513–0057, and 1513–0115)

Signed: September 23, 2024.

Mary G. Ryan,

Administrator.

Approved: September 24, 2024.

Aviva R. Aron-Dine,

Deputy Assistant Secretary, Tax Policy.

[FR Doc. 2024–22470 Filed 10–1–24; 8:45 am]

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 81

RIN 2900–AS17

Legal Services for Veterans—Legal Assistance for Access to VA Programs Grant Program

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) proposes to amend its regulations to implement a new authority requiring VA to establish a pilot program to assess the feasibility of awarding grants to eligible entities to establish new legal assistance clinics or enhance existing legal assistance clinics and pro bono efforts to provide certain legal assistance to veterans and individuals who served in the Armed Forces. This rulemaking provides proposed grant program eligibility criteria, application requirements, scoring criteria, constraints on the allocation and use of grant funds, and other requirements necessary to implement the grant program.

DATES: Comments must be received on or before December 2, 2024.

ADDRESSES: Comments may be submitted through www.regulations.gov. Except as provided below, comments received before the close of the comment period will be available at www.regulations.gov for public viewing, inspection, or copying, including any personally identifiable or confidential business information that is included in a comment. We post the comments received before the close of the comment period on www.regulations.gov as soon as possible after they have been received. VA will not post on www.regulations.gov public comments that make threats to individuals or institutions or suggest that the commenter will take actions to harm an individual. VA encourages

individuals not to submit duplicative comments; however, we will post comments from multiple unique commenters even if the content is identical or nearly identical to other comments. Any public comment received after the comment period's closing date is considered late and will not be considered in the final rulemaking. In accordance with the Providing Accountability Through Transparency Act of 2023, a 100 word Plain-Language Summary of this proposed rule is available at [Regulations.gov](https://www.regulations.gov), under RIN 2900–AS17.

FOR FURTHER INFORMATION CONTACT: Madolyn Gingell, National Coordinator, Legal Services for Veterans, Veterans Justice Programs, Clinical Services, Veterans Health Administration, Department of Veterans Affairs, at Madolyn.Gingell@va.gov or (239) 223–4681.

SUPPLEMENTARY INFORMATION:

Background

On January 1, 2021, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Public Law 116–283 (the Act), was signed into law and authorized appropriations for defense activities and various other purposes. Section 548(b) of the Act directed the Secretary of VA (Secretary) to establish a pilot program to assess the feasibility and advisability of awarding grants to eligible entities to establish new legal assistance clinics or enhance existing legal assistance clinics or other pro bono efforts in locations other than VA facilities to provide certain legal assistance to veterans and individuals who served in the Armed Forces. VA proposes to implement this pilot program by creating the Legal Services for Veterans—Legal Assistance for Access to VA Programs Grant Program (Grant Program) in new part 81 of title 38, Code of Federal Regulations (CFR).

The primary purpose of the Grant Program is to provide certain legal assistance to former service members to assist them in gaining access to VA benefits. Because a former service member's discharge is often a barrier to VA benefits, VA believes the Grant Program would provide needed assistance with improving the character of discharge for those individuals whose current discharge status renders them ineligible for VA benefits. Attorneys are well-suited to help individuals navigate these processes, and the proposed Grant Program would directly fund the provision of legal assistance with any VA program, with improving the status of a military discharge or

characterization of service, and with seeking a review of a military record before a board of correction of military or naval records, consistent with Section 548(b) of the Act. The Grant Program would serve a broad group of individuals, not just those who meet the statutory definition of veteran under 38 U.S.C. 101(2), and would also assist any individual discharged or released from the Armed Forces, including those who served in a reserve component.

To be eligible for VA programs and services, an individual's military discharge or release must generally be under "other than dishonorable conditions" (e.g., honorable, under honorable conditions, general), a standard established in the statutory definition of veteran under 38 U.S.C. 101(2). A military discharge or release under certain conditions, regardless of the character of service listed on an individual's Certificate of Uniformed Service (DD Form 214/5), could also constitute a statutory bar to VA programs and services under 38 U.S.C. 5303. However, in certain circumstances, individuals that do not meet the statutory definition under 38 U.S.C. 101(2) could qualify for VA programs and services if they receive a favorable outcome through a military service discharge review board, a board for correction of military or naval records, or VA's character of discharge determination.

In late September 2021, VA sought input from 18 veterans service organizations and legal services organizations to inform development of the criteria and requirements for implementation of the Grant Program. VA asked the organizations to provide comments on: (1) the types of VA programs to be focused on; (2) any additional assistance that should be provided beyond what is specified in the Act; (3) criteria that should be emphasized during the grant selection process; (4) how VA should require grantees to target individuals eligible to receive legal assistance without regard for the conditions of discharge or release from the Armed Forces; (5) criteria that should be used to assess the effectiveness of the Grant Program; (6) and any additional factors VA should consider for the Grant Program.

VA received input from two veterans service organizations and three legal services organizations. Multiple commenters stated the Grant Program should prioritize approving grant applicants that: operate in underserved areas; would provide legal assistance to improve the status of a military discharge or characterization of service; and would provide legal assistance to