

www.ttb.gov), when you may use electronic signatures to execute certain electronic forms. The general notice will provide you with specific instructions about how to submit and what technology will be acceptable to TTB.

#### *Electronic Submission of Forms to TTB*

We are in the process of developing the means to allow you to submit forms electronically. This is a lengthy process; we will need to develop the hardware and software components to accept each different type of form. Once we are able to accept a certain form, we will announce in the **Federal Register** and on our Web site that you may register to submit that form electronically. The announcement will provide you with instructions on how to register.

#### **Will I Still Have To Maintain Paper Copies?**

If the regulations require you to maintain certain documents in paper format, you must continue to maintain those documents in paper format even if you submit them to us electronically. Nothing in part 73 alters any other regulatory or statutory requirement that records be maintained in paper format. This part does provide that TTB may publish a general notice in the **Federal Register** authorizing you to maintain certain documents electronically instead of in paper form.

#### **Notice of Proposed Rulemaking**

On April 11, 2003, we published a notice of proposed rulemaking, Notice No. 5, in the **Federal Register** (68 FR 17760) to solicit comments regarding our proposal to add the new part 73 to chapter I of title 27. The notice requested comments from interested persons by May 12, 2003.

#### **Comments on Notice of Proposed Rulemaking**

We did not receive any comments as a result of Notice No. 5.

#### **Regulatory Analyses and Notices**

##### *Paperwork Reduction Act*

The provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this rule because there are no new reporting or recordkeeping requirements.

##### *Regulatory Flexibility Act*

The Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, requires an agency to conduct a regulatory flexibility analysis of any rule that may have a significant economic impact on a substantial number of small entities. We certify that

this final rule will not have such an impact because the electronic submission of forms to TTB and the use of electronic signatures are voluntary. This final rule only applies to those people who seek our approval to transmit certain forms electronically to us.

#### *Executive Order 12866*

This regulation is not a significant regulatory action as defined by Executive Order 12866. Accordingly, this rule is not subject to the analysis required by this Executive Order.

#### *Executive Order 13132*

Executive Order 13132, entitled "Federalism" (64 FR 43255, August 10, 1999), requires Federal agencies to ensure "meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications." This rule does not have federalism implications. This rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. This rule will not require States to accept electronic reports. The effect of this rule will be to provide additional regulatory flexibility to States because States could choose to accept electronic data that would also satisfy our reporting requirements.

#### **Drafting Information**

The principal author of this document is Lisa M. Gesser, Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau.

#### **List of Subjects in 27 CFR Part 73**

Electronic signatures, Reporting and recordkeeping requirements.

#### **Authority and Issuance**

■ For the reasons set out in the preamble, we amend chapter I of title 27 of the Code of Federal Regulations by adding a new part 73 to read as follows:

### **PART 73—ELECTRONIC SIGNATURES; ELECTRONIC SUBMISSION OF FORMS**

#### **Subpart A—General Provisions**

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#### **Scope**

73.1 What does this part do?

#### **Definitions**

73.3 What terms must I know to understand this part?

#### **Subpart B—Electronic Signatures**

73.10 What does subpart B cover?

73.11 What are the required components and controls for acceptable electronic signatures?

73.12 What security controls must I use for identification codes and passwords?

#### **Subpart C—Electronic Filing of Documents With TTB**

73.30 What does subpart C cover?

73.31 May I submit forms electronically to TTB?

73.32 May I electronically sign forms I submit electronically to TTB?

73.33 Am I legally bound by a form I sign electronically?

73.34 When is an electronically submitted form considered timely filed?

73.35 Do I need to keep paper copies of forms I submit to TTB electronically?

**Authority:** 26 U.S.C. 6011, 6061, 7502; 15 U.S.C. 7001, 7004.

#### **Subpart A—General Provisions**

##### **Scope**

##### **§ 73.1 What does this part do?**

(a) This part provides the conditions under which we will allow you to:

(1) Use electronic signatures or digital signatures executed to electronic forms instead of traditional handwritten signatures executed on paper forms; and

(2) Electronically submit certain forms to TTB.

(b) This part does not require you to submit forms to us electronically.

##### **Definitions**

##### **§ 73.3 What terms must I know to understand this part?**

You need to know the following terms to understand this part:

27 CFR. Title 27 of the Code of Federal Regulations, chapter I.

*Biometrics.* A method of verifying an individual's identity based on measurement of the individual's physical feature(s) or repeatable action(s) where those features and/or actions are both unique to that individual and measurable.

*Digital signature.* An electronic signature based upon cryptographic methods of originator authentication, computed by using a set of rules and a set of parameters such that the identity of the signer and the integrity of the data can be verified. A signer creates a digital signature by using public-key encryption to transform a message digest of an electronic message. If a recipient of the digital signature has an electronic message, message digest function, and the signer's public key, the recipient can verify:

(1) Whether the transformation was accomplished with the private key that